

-Original-

**TriStar Skyline Medical
Center**

CN1612-041

December 9, 2016

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

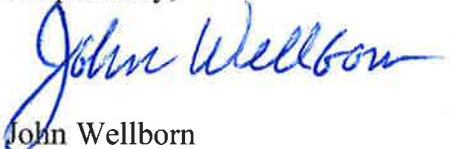
RE: CON Application Submittal
TriStar Skyline Medical Center--31-Bed Transfer
Nashville, Davidson County

Dear Mrs. Hill:

This letter transmits an original and two copies of the subject application. The affidavit and filing fee are enclosed.

I am the contact person for this project. Jerry Taylor is legal counsel. Please advise me of any additional information you may need. We look forward to working with the Agency on this project.

Respectfully,



John Wellborn
Consultant

**TRISTAR
SKYLINE MEDICAL CENTER
CERTIFICATE OF NEED APPLICATION
TO TRANSFER
31 MEDICAL-SURGICAL BEDS
FROM ITS MADISON SATELLITE CAMPUS
TO ITS MAIN CAMPUS
WITHIN DAVIDSON COUNTY**

Submitted December 2016

CERTIFICATE OF NEED APPLICATION

SECTION A: APPLICANT PROFILE

1. Name of Facility, Agency, or Institution

TriStar Skyline Medical Center

Name

3441 Dickerson Pike	Davidson
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Street or Route

County

Nashville	TN	37207
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City

State

Zip Code

www.tristarskyline.com

Website Address

2. Contact Person Available for Responses to Questions

John Wellborn	Consultant
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Name

Title

Development Support Group	jwdsg@comcast.net
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Company Name

E-Mail Address

4219 Hillsboro Road, Suite 210	Nashville	TN	37215
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Street or Route

City

State

Zip Code

CON Consultant	615-665-2022	615-665-2042
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Association With Owner

Phone Number

Fax Number

NOTE: **Section A** is intended to give the applicant an opportunity to describe the project. **Section B** addresses how the project relates to the criteria for a Certificate of Need by addressing: Need, Economic Feasibility, Contribution to the Orderly Development of Health Care, and Quality Measures.

Please answer all questions on 8½" X 11" white paper, clearly typed and spaced, single-sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed signed and notarized affidavit.

A-3. SECTION A: EXECUTIVE SUMMARY

3.A. Overview

Please provide an overview not to exceed three pages in total, explaining each numbered point.

(1) Description (Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant.)

- TriStar Skyline Medical Center has two campuses in Davidson County with a consolidated bed license of 385 beds. Its main campus of 233 beds is located beside I-65 in northern Davidson County. Its satellite campus in the Madison community of Davidson County has 152 beds--121 behavioral health beds and 31 medical/surgical and ICU/CCU beds. The main and satellite campuses are five miles and fifteen minutes' drive time apart. The satellite campus's 31 medical-surgical and ICU/CCU beds are unstaffed.
- This application requests CON approval to transfer the satellite's 31 unstaffed beds to new construction on the main campus, simultaneously de-licensing 31 bed spaces at the satellite location, so that the consolidated license will remain at 385 beds. The relocated beds will be housed in a newly constructed medical-surgical area on the hospital's second floor. All bed spaces will be private rooms.
- This bed relocation from Madison will be the hospital's fourth and final bed-transfer project between campuses. It will complete an orderly program of converting TriStar Skyline Medical Center's Madison campus to an exclusively behavioral health facility, with all other acute care services located at TriStar Skyline's main campus. The first phase moved all the satellite's rehabilitation beds to the main campus. The second phase transferred medical-surgical and critical care beds to renovated space on the main campus. The third phase transferred 10 more of the satellite's medical-surgical beds to the main campus to provide some rapid relief for severe bed shortages in peak periods, using only minor renovation. All three phases received CON approval and none increased Skyline's consolidated bed license.
- The table below summarizes how the 31-bed transfer will affect bed assignments and licensure at each campus. The applicant's total license will not change.

Bed Assignment	Current Licensed Beds			Proposed Licensed Beds		
	Main Campus	Madison Campus	Consolidated Licenses	Main Campus	Madison Campus	Consolidated Licenses
Medical/Surgical	147	27	174	178 (+31)*	0 (-27)	182
ICU/CCU	45	4	49	45	0 (-4)	45
Rehabilitation	41	0	41	41	0	41
Behavioral	0	121	121	0	121	121
Totals	233	152	385	264 (+31)	121 (-31)	385

* The increase represents the 31 beds relocated from Madison.

- As shown on the floor plan in Attachment A-6B(2), the new second-floor expansion will have space for 40 beds ultimately; but in this project only 31 will be licensed. The floor plan shows those as 31 numbered beds. The plan's 9 un-numbered bed spaces are for future licensure and expansion.
- As a matter of information, this bed transfer project will be constructed simultaneously with a larger main campus construction project, whose components are exempt from CON review. Those exempt components include the following:
 - a. The hospital's second floor will be expanded and completed for a future enlarged ICU/CCU and future additional medical-surgical beds. The expansion will allow for future development of a 20-bed ICU/CCU, composed of 14 new ICU/CCU beds plus 6 existing ICU/CCU beds relocated from the first floor. The completion will include licensure of 9 more medical-surgical beds adjoining the 31 licensed beds being relocated to the main campus under this CON application.
 - b. The Emergency Department will be expanded by new construction on the first floor, to improve low-acuity (e.g. fast track) care, to separate walk-in and ambulance entrances, and to provide other efficiencies.
 - c. A shelled-in third floor will be added, for future bed expansion.
- Additional physical information about the project, including square footage and construction cost data, is in Attachment Section A-3A(1).

(2) Ownership Structure

- TriStar Skyline Medical Center is an HCA facility owned by HTI Memorial Hospital Corporation, which is 100% owned through wholly owned subsidiaries by HCA Holdings, Inc. Attachment A.4 contains details, an organization chart, and information on Tennessee facilities owned by HCA.

(3) Service area

- The project's primary service area consists of Davidson, Sumner, Robertson, and Montgomery Counties. Approximately 88% of Skyline's Tennessee admissions, and 79% of Skyline's total admissions, came from those counties in 2015. No other county contributed more than 4.5%.

(4) Existing similar service providers

- The most recent (2015) Joint Annual Reports for Hospitals indicated that there are 13 *general* hospital facilities in the four-county primary service area, with a total of 4,278 licensed acute care beds. This excludes facilities dedicated to psychiatric, rehabilitation, and long-term acute care services.

(5) Project cost

- The estimated cost of the project is \$30,038,000.

(6) Funding

- The project will be 100% funded by HCA Holdings, Inc. with a cash grant made through its TriStar Health System (Division Office) in Nashville.

(7) Financial feasibility, including when the proposal will realize a positive financial margin; and

- TriStar Skyline's projected utilization ensures that the proposed beds will operate at high occupancy and with a positive financial margin. The hospital also has an overall positive operating margin.

(8) Staffing

- The addition of these medical-surgical beds will result in a projected 36.52 FTE increase in CY2020, Year One of the project. The staffing table is in Section B, Economic Feasibility-8.

3.B. Rationale for Approval

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area. This section should provide rationale for each criterion using the data and information points provided in Section B of this application. Please summarize, in one page or less, each of the criteria.

3.B(1) Need

The project will allow the main campus of TriStar Skyline Medical Center to continue to meet increasing demand for additional medical-surgical capacity. Currently its main campus medical-surgical beds are operating at 87% capacity and it is becoming stressful to meet admissions needs mid-week.

Growth in demand is being driven by TriStar Skyline's new role as one of Davidson County's two designated Trauma Centers, by its status as a Comprehensive Stroke Center, and by the growth of its Neurosciences programs (medical and surgical).

It is important to the service area that the needs of patients in this northern sector of the Greater Nashville area continue to be addressed with sufficient inpatient capacity to prevent delays in care. The surplus of licensed hospital beds identified in the State Health Plan will not be impacted by this project, because the project only relocates licensed beds from one campus to another within Davidson County. The number of beds being moved amount to less than seven-tenths of one percent of the service area's licensed hospital beds.

Once operational, the relocated beds will be well-utilized, with the hospital's medical-surgical bed complement reaching 76% occupancy in Year Two of the project.

The project will also optimize TriStar Skyline's use of its two campuses, making the main campus the focus of all general acute care and rehabilitation services, and the satellite Madison campus an exclusively behavioral health campus (which is its primary mission currently).

3.B(2) Economic Feasibility

The applicant's medical-surgical department currently functions with a strong positive operating margin. Its enlargement as proposed in this project will not reduce this margin, but will rather strengthen it.

The funding for the project is available through the applicant's parent company, HCA Holdings, Inc., which is providing the full project cost in a cash grant made through the company's division office, TriStar Health System. Documentation of the intent and ability to provide this funding has been provided by TriStar officers and by the company's income statement and balance sheet provided in the application.

3.B(3) Appropriate Quality Standards

TriStar Skyline Medical Center is licensed in good standing by the Board for Licensing Health Care Facilities, is certified for participation in both Medicare and Medicaid/TennCare, and is fully accredited by the Joint Commission.

Skyline received its fourth consecutive annual "A" safety score from the Leapfrog Group in 2015.

In 2009 and 2013, Skyline was listed in Truven Analytics' "Top 100 Hospitals" based on high quality outcomes and patient satisfaction.

AARP recognized Skyline in 2013 as one of the nation's safest hospitals.

Skyline was recognized by the Joint Commission in CY2013 as a Top Performer in Key Quality Measures.

It is certified by the Commission on Cancer and received that body's Outstanding Achievement Award in 2012.

It has been designated by Blue Cross as a Blue Distinction Center for Spine Surgery and a Blue Distinction Center for Knee and Hip Replacement.

Skyline is accredited by the Society of Chest Pain Centers.

It is a State-designated Level II Trauma Center, one of only two Trauma Centers in Davidson County.

Skyline was Tennessee's first hospital to earn Joint Commission designation as a Primary Stroke Center (2004), and the first to be designated a Comprehensive Stroke Center (2012).

Skyline operates one of Tennessee's four CARF-accredited (Commission on Accreditation of Rehabilitation Facilities) *stroke* rehabilitation programs, and is one of only eight CARF-accredited *inpatient* rehabilitation programs Statewide.

3.B(4) Orderly Development of adequate and effective health care

This bed relocation will be the hospital's fourth and final bed-transfer project between campuses. It will complete an orderly program of converting TriStar Skyline Medical Center's Madison campus to an exclusively behavioral medicine facility, with all other acute care services located at TriStar Skyline's main campus.

The first phase moved all the satellite's rehabilitation beds to the main campus. The second phase transferred medical-surgical and critical care beds to renovated space on the main campus. The third phase transferred 10 more of the satellite's medical-surgical beds to the main campus to provide some rapid relief for severe bed shortages in peak periods, using only minor renovation. All three phases received CON approval.

None of these four phases has required an increase in Skyline's consolidated two-campus bed license. Together they have provided an orderly path to reallocating licensed capacity and service potential from a part of the county where those resources are no longer needed, to a location where they are very much needed to provide adequate and effective medical-surgical care.

3.C. Consent Calendar Justification

If consent calendar is requested, please provide the rationale for an expedited review. A request for Consent Calendar must be in the form of a written communication to the Agency's Executive Director at the time the application is filed.

Not applicable.

SECTION A (CONTINUED): PROJECT DETAILS

4.A. Owner of the Facility, Agency, or Institution

HTI Memorial Hospital Corporation	615-769-7100
<i>Name</i>	<i>Phone Number</i>
3441 Dickerson Pike	Davidson
<i>Street or Route</i>	<i>County</i>
Nashville	TN 37207
<i>City</i>	<i>State Zip Code</i>

4.B. Type of Ownership or Control (Check One)

A. Sole Proprietorship	<input type="checkbox"/>	F. Government (State of TN or Political Subdivision)	<input type="checkbox"/>
B. Partnership	<input type="checkbox"/>	G. Joint Venture	<input type="checkbox"/>
C. Limited Partnership	<input type="checkbox"/>	H. Limited Liability Company	<input type="checkbox"/>
D. Corporation (For-Profit)	<input checked="" type="checkbox"/>	I. Other (Specify):	<input type="checkbox"/>
E. Corporation (Not-for-Profit)	<input type="checkbox"/>		

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the TN Secretary of State's website <https://tnbear.tn.gov/Ecommerce/FilingSearch.aspx>.

See Attachment Section A-4A.

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

Skyline Medical Center is owned and operated by HCA Health Services of Tennessee, Inc., which is wholly owned through entities wholly owned by HCA Holdings, Inc., a national hospital company based in Nashville, Tennessee.

Attachment Section A-4A contains an organization chart of the applicant's chain of ownership up to the parent company, and a list of the parent company's licensed healthcare facilities in Tennessee.

5A. Name of Management/Operating Entity (If Applicable) NA

Name

Street or Route

County

City

State

Zip Code

Website Address

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract.

NA

6A. Legal Interest in the Site of the Institution (Check One)

A. Ownership	x	D. Option to Lease	
B. Option to Purchase		E. Other (Specify):	
C. Lease of _____ Years			

Check appropriate line above: For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements must include anticipated purchase price. Lease/Option to Lease Agreements must include the actual/anticipated term of the agreement and actual/anticipated lease expense. The legal interests described herein must be valid on the date of the Agency's consideration of the certificate of need application.

See Attachment Section A-6A.

6B. Attach a copy of the site's plot plan, floor plan, and if applicable, public transportation route to and from the site, on an 8.5" X 11 sheet of white paper, single-sided. Do not submit blueprints. Simple line drawings should be submitted and need not be drawn to scale.

(1) Plot Plan must include:

- a. Size of site (in acres);
- b. Location of structure on the site;
- c. Location of the proposed construction/renovation; and
- d. Names of streets, roads, or highways that cross or border the site.

See Attachment Section A-6B-1.

(2) Attach a floor plan drawing for the facility, which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. On an 8.5" X 11" sheet of paper or as many as necessary to illustrate the floor plan.

See Attachment Section A-6B-2.

(3) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

Skyline Medical Center's main campus is located in the far north edge of Davidson County. It is beside I-65 a short distance north of I-65's intersection with Briley Parkway/TN 155, a road that circles through the northern, western, and eastern sectors of Nashville. Briley Parkway/TN155 also connects quickly to I-24. Residents of Montgomery County access Skyline easily via I-24. Robertson County residents access Skyline easily via I-65 and US 41 and 431/Briley Parkway. Sumner County residents access Skyline easily via US 31E/Vietnam Veterans' Boulevard.

Table A.6B(3): One-Way Mileage and Drive Times Between TriStar Skyline Medical Center and Other Medical-Surgical Beds In the Primary Service Area		
Location of Medical-Surgical Beds	Mileage 1-Way	Drive Time 1-Way
Centennial Medical Center	8.9 miles	26
Metro NV General Hospital	9.3 miles	22
Saint Thomas Midtown Hospital	8.7 miles	23
Saint Thomas West Hospital	15.4 miles	28
Southern Hills Medical Center	18.6 miles	31
Summit Medical Center	18.1 miles	24
The Center for Spinal Surgery	8.4 miles	23
Vanderbilt Medical Center	9.7 miles	28
Northcrest Medical Center	22.0 miles	31
Hendersonville Medical Center	12.5 miles	17
Sumner Regional Medical Center	24.8 miles	31
Gateway Medical Center	41.0 miles	44

Source: Google Maps, at 8:45 AM, 12-6-16. Drive times slightly less in off-peak hours. Listed facilities are in Davidson County, except for Northcrest (Robertson Co.), Hendersonville and Sumner (Sumner Co.), and Gateway (Montgomery Co.) Medical Centers.

7. Type of Institution (Check as appropriate—more than 1 may apply)

A. Hospital (Specify):	<input checked="" type="checkbox"/>	H. Nursing Home	
B. Ambulatory Surgical Treatment Center (ASTC) Multi-Specialty		I. Outpatient Diagnostic Center	
C. ASTC, Single Specialty		J. Rehabilitation Facility	
D. Home Health Agency		K. Residential Hospice	
E. Hospice		L. Non-Residential Substitution-Based Treatment Center for Opiate Addiction	
F. Mental Health Hospital		M. Other (Specify):	
G. Intellectual Disability Institutional Habilitation Facility ICFF/IID			

8. Purpose of Review (Check as appropriate—more than 1 may apply)

A. New Institution		F. Change in Bed Complement <i>Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation</i>	<input checked="" type="checkbox"/>
B. Modifying an ASTC with limitation still required per CON		G. Satellite Emergency Department	
C. Addition of MRI Unit		H. Change of Location	
D. Pediatric MRI		I. Other (Specify): The project relocates beds from a satellite campus to the main campus without changing the hospital's consolidated total bed license.	
E. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4) (Specify)			

9. Medicaid/TennCare, Medicare Participation

MCO Contracts (Check all that apply):	
<input checked="" type="checkbox"/> Amerigroup	<input checked="" type="checkbox"/> United Healthcare Community Plan
<input checked="" type="checkbox"/> TennCare Select	<input checked="" type="checkbox"/> BlueCare
Medicare Provider Number: Acute 44-0006; Rehab 44-T006; Psych 44-S006	
Medicaid Provider Number: 044-0006	
Certification Type: Acute Care Hospital	
If a new facility, will certification be sought for Medicare or for Medicaid/TennCare?	
Medicare	Yes No N/A <input checked="" type="checkbox"/>
Medicaid/TennCare	Yes No N/A <input checked="" type="checkbox"/>

10. Bed Complement Data

10A. Please indicate current and proposed distribution and certification of facility beds.)

Skyline Medical Center--Main Campus

	Beds Currently Licensed	Beds Staffed	Beds Proposed	*Beds Approved	**Beds Exempt	TOTAL Beds at Completion
1. Medical	147		+31			178
2. Surgical						
3. ICU/CCU	45					45
4. Obstetrical						
5. NICU						
6. Pediatric						
7. Adult Psychiatric						
8. Geriatric Psychiatric						
9. Child/Adolescent Psychiatric						
10. Rehabilitation	41					41
11. Adult Chemical Dependency						
12. Child/Adolescent Chemical Dependency						
13. Long-Term Care Hospital						
14. Swing Beds						
15. Nursing Home SNF (Medicare Only)						
16. Nursing Home NF (Medicaid Only)						
17. Nursing Home SNF/NF (dually certified MCare/Maid)						
18. Nursing Home- Licensed (Noncertified)						
19. ICF/IID						
20. Residential Hospice						
TOTAL	233		+31			264

** Beds approved but not yet in service*

*** Beds exempted under 10%/3 yrs provision*

Skyline Medical Center--Madison Campus

	Beds Currently Licensed	Beds Staffed	Beds Proposed	*Beds Approved	**Beds Exempt	TOTAL Beds at Completion
1. Medical	27		-27			0
2. Surgical						
3. ICU/CCU	4		-4			0
4. Obstetrical						
5. NICU						
6. Pediatric						
7. Adult Psychiatric	86					121
8. Geriatric Psychiatric	14					
9. Child/Adolescent Psychiatric	21					
10. Rehabilitation						
11. Adult Chemical Dependency						
12. Child/Adolescent Chemical Dependency						
13. Long-Term Care Hospital						
14. Swing Beds						
15. Nursing Home SNF (Medicare Only)						
16. Nursing Home NF (Medicaid Only)						
17. Nursing Home SNF/NF (dually certified MCare/Maid)						
18. Nursing Home- Licensed (Noncertified)						
19. ICF/IID						
20. Residential Hospice						
TOTAL	152		-31			121

** Beds approved but not yet in service*

*** Beds exempted under 10%/3 yrs provision*

Skyline Medical Center--Consolidated Main & Madison Campuses

	Beds Currently Licensed	Beds Staffed	Beds Proposed	*Beds Approved	**Beds Exempt	TOTAL Beds at Completion
1. Medical	174		+4			178
2. Surgical						
3. ICU/CCU	49		-4			45
4. Obstetrical						
5. NICU						
6. Pediatric						
7. Adult Psychiatric	86		0			121
8. Geriatric Psychiatric	14					
9. Child/Adolescent Psychiatric	21					
10. Rehabilitation	41		0			41
11. Adult Chemical Dependency						
12. Child/Adolescent Chemical Dependency						
13. Long-Term Care Hospital						
14. Swing Beds						
15. Nursing Home SNF (Medicare Only)						
16. Nursing Home NF (Medicaid Only)						
17. Nursing Home SNF/NF (dually certified MCare/Maid)						
18. Nursing Home- Licensed (Noncertified)						
19. ICF/IID						
20. Residential Hospice						
TOTAL	385		0			385

** Beds approved but not yet in service*

*** Beds exempted under 10%/3 yrs provision*

10B. Describe the reasons for change in bed allocations and describe the impact the bed changes will have on the applicant facility's existing services.

See Attachment Section A-10.

10C. Please identify all the applicant's outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete the chart below.

<u>CON Number</u>	<u>CON Expiration Date</u>	<u>Total Licensed Beds Approved</u>
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NA		
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11. Home Health Care Organizations – Home Health Agency, Hospice Agency (excluding Residential Hospice), identify the following by checking all that apply:

NA

Table A.12. Square Footage and Cost Per Square Footage Chart--TriStar Skyline 31-Bed Relocation						
Unit/Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage	
					Renovated	New Total
Medical-Surgical	NA	NA	NA	Second Floor	0	42,517 42,517
						0
						0
						0
						0
						0
						0
						0
Unit/Dept GSF Subtotal		0			0	42,517 42,517
Other BGSF* Subtotal					0	8,855 8,855
Total GSF		0			0	51,372 51,372
Total Cost**					\$0.00	\$22,800,000.00 \$22,800,000.00
***Cost Per Square Foot						\$443.82
Cost per Square Foot is Within Which Range? (For quartile ranges, please refer to the Applicant's Toolbox on www.tn.gov/hsda)					Below 1st Quartile	Below 1st Quartile
					Between 1st and 2nd Quartile	Between 1st and 2nd Quartile
					Between 2nd and 3rd Quartile	Between 2nd and 3rd Quartile
					Above 3rd Quartile	Above 3rd Quartile

* BGSF (Building gross square feet) includes exteriors, circulation, mechanical penthouse.

* The Total Construction Cost should equal the Construction Cost reported on line A5 of the Project Cost Chart.

** Cost per Square Foot is the construction cost divided by the square feet. Please do not include contingency costs.

ARCHITECT SHOULD ENTER COST PSF ONLY FOR NEW AND RENOVATED COLUMNS; THE TOTAL COST PSF COLUMN CALCULATES AUTOMATICALLY.

13. MRI, PET, and/or LINEAR ACCELERATOR

Describe the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding an MRI scanner in counties with population less than 250,000, or is initiating pediatric MRI in counties with population greater than 250,000, and/or describe the acquisition of any Positron Emission Tomography (PET) unit or Linear Accelerator unit if initiating the service by responding to the following:

A-13A. Complete the Chart below for acquired equipment.

NA

LINEAR ACCELERATOR	
Mev:	Total Cost*: \$
Types: (indicate one)	By Purchase? _____
____ SRS	By Lease? _____
____ IMRT	
____ IGRT	Expected Useful Life (yrs): _____
____ Other :	New? _____
	Refurbished? _____
	If not new, how old (Yrs)? _____

MRI	
Tesla:	Total Cost*: \$
Magnet: (indicate one)	By Purchase? _____
____ Breast	By Lease? _____
____ Extremity?	
____ Open?	Expected Useful Life (yrs): _____
____ Short Bore?	New? _____
____ Other --	Refurbished? _____
	If not new, how old (Yrs)? _____

PET	
PET Only? _____	Total Cost*: \$
	By Purchase? _____
PET/CT? _____	By Lease? _____
PET/MRI? _____	Expected Useful Life (yrs): _____
	New? _____
	Refurbished? _____
	If not new, how old (Yrs)? _____

**As defined by Agency Rule 0720-9-.01(13)*

13B. In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.

NA

13.C. Compare the lease cost of the equipment to its fair market value. Note: Per Agency rule, the higher cost must be identified in the project cost chart.

NA

13D. Schedule of Operations: NA

Location	Days of Operation (Sun-Sat)	Hours of Operation
Fixed Site (Applicant)		
Mobile Locations		
Applicant		
Name of other location		
Name of other location		

13E. Identify the clinical applications to be provided, that apply to the project.

NA

13F. If the equipment has been approved by the FDA within the past five years, provide documentation of the same.

NA

SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with T.C.A. § 68-11-1609(b), “no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care.” Further standards for guidance are provided in the State Health Plan developed pursuant to T.C.A. § 68-11-1625.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Applicable Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. *Please type each question and its response on an 8 1/2" x 11" white paper, single-sided.* All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer, unless specified otherwise. ***If a question does not apply to your project, indicate “Not Applicable (NA).”***

QUESTIONS

NEED

1. Provide a response to each criterion and standard in Certificate of Need categories in the State Health Plan that are applicable to the proposed project. Criteria and standards can be obtained from the THSDA or found on the agency’s website at <http://tjn.gov/hsda/article/hsda-criteria-and-standards>.

Responses to the applicable criteria and standards begin on the following page.

Project-Specific Review Criteria--Acute Care Bed Services

These Guidelines were written to evaluate proposed increases in acute care beds in a service area. This project does not increase TriStar Skyline's consolidated bed license for its two campuses. It will simply relocate 31 of Skyline's licensed beds a distance of five miles within the same county and the same service area. So the Guidelines discussed below are either not applicable to this application, or are consistent with the application.

1. The following methodology should be used and the need for hospital beds should be projected four years into the future from the current year...(guidelines detail the steps of the bed need projection methodology; see pp. 15-16 of Guidelines for Growth.)

The Tennessee Department of Health's most recently issued bed need projection (for 2020) is provided following this response. It indicates a surplus of 868 hospital beds in the four-county area. However, this is not relevant to this CON decision, because this project will not add licensed beds to the service area, and will not affect the bed surplus. In addition, the beds being moved within the service area will all remain in the same county (Davidson); and they represent less than 7/10ths of 1% of the total licensed hospital beds in the primary service area.

Table B-Need-1: Project Has No Impact On Licensed Hospital Beds in the Service Area					
PSA County	Licensed Beds	Bed Need or (Surplus) 2019	Proposed New Licensed Beds	% of Licensed Beds	% of Bed Surplus
Davidson	3,786	(606)	0	0	0
Montgomery	270	(117)	0	0	0
Robertson	109	(53)	0	0	0
Sumner	303	(92)	0	0	0
Primary Service Area	4,468	(868)	0	0	0

Source: TN Department of Health Hospital Bed Need Projection dated 9-7-15.

ACUTE-CARE BED NEED PROJECTIONS FOR 2016 AND 2020, BASED ON FINAL 2014 HOSPITAL JARS

COUNTY	2014		CURRENT NEED	SERVICE AREA POPULATION			PROJECTED		PROJECTED		2014 ACTUAL BEDS		SHORTAGE/SURPLUS	
	INPATIENT DAYS	ADC		2014	2016	2020	ADC-2016	NEED 2016	ADC-2020	NEED 2020	LICENSED	STAFFED	LICENSED	STAFFED
Anderson	47,552	130	163	93,508	94,653	96,709	132	165	135	168	301	210	-133	-42
Beford	6,206	17	27	14,819	15,321	16,326	18	27	19	29	60	52	-31	-23
Benton	1,811	5	10	2,189	2,196	2,205	5	10	5	10	25	25	-15	-15
Bledsoe	1,704	5	10	2,517	2,549	2,608	5	10	5	10	25	25	-15	-15
Blount	49,200	135	169	90,167	92,507	97,047	138	173	145	181	304	238	-123	-57
Bradley	35,287	97	121	75,061	76,490	79,228	99	123	102	128	351	186	-223	-58
Campbell	20,143	55	73	21,579	21,719	21,938	56	73	56	74	120	106	-46	-32
Cannon	4,764	13	22	3,927	3,980	4,075	13	22	14	22	60	50	-38	-28
Carroll	6,256	17	27	13,527	13,555	13,568	17	27	17	27	115	68	-88	-41
Carter	15,392	42	57	26,870	26,998	27,197	42	58	43	58	121	74	-63	-16
Cheatham	1,589	4	9	1,810	1,834	1,874	4	9	5	10	12	12	-2	-2
Chester														
Claiborne	6,477	18	28	14,976	15,204	15,606	18	28	18	28	85	33	-57	-5
Clay	4,019	11	19	4,658	4,678	4,706	11	19	11	19	36	34	-17	-15
Cocke	7,756	21	32	15,442	15,628	15,953	21	32	22	33	74	36	-41	-3
Coffee	26,614	73	93	49,449	50,349	52,077	74	94	77	97	214	158	-117	-61
Crockett														
Cumberland	24,052	66	85	44,292	45,587	48,048	68	87	71	91	189	122	-98	-31
Davidson	852,914	2,337	2,921	1,589,580	1,637,847	1,730,677	2,408	3,010	2,544	3,180	3,786	3,286	-606	-106
Decatur	2,700	7	14	4,301	4,333	4,395	7	14	8	14	40	27	-26	-13
DeKalb	3,354	9	16	6,567	6,671	6,866	9	16	10	17	71	56	-54	-39
Dickson	19,104	52	69	34,537	35,265	36,644	53	70	55	73	157	120	-73	-47
Dyer	13,013	36	50	30,964	31,244	31,770	36	50	37	51	225	115	-174	-64
Fayette	439	1	4	1,530	1,603	1,742	1	4	1	4	46	10	-42	-6
Fentress	7,283	20	30	10,882	11,053	11,360	20	31	21	32	85	75	-53	-43
Franklin	19,194	53	69	32,299	32,519	32,894	53	70	54	71	173	124	-102	-53
Gibson	2,537	7	13	4,054	4,093	4,167	7	13	7	13	209	86	-196	-73
Giles	0	0	0								95	81		
Grainger														
Greene	24,777	68	87	48,368	49,158	50,611	69	88	71	91	240	173	-149	-82
Grundy														
Hamblen	37,221	102	128	71,124	72,190	74,166	104	129	106	133	302	196	-169	-63
Hamilton	390,829	1,071	1,339	717,133	731,825	760,534	1,093	1,366	1,136	1,420	1,596	1,225	-176	195
Hancock	1,202	3	8	1,650	1,659	1,673	3	8	3	8	10	10	-2	-2
Hardeman	671	2	5	1,492	1,492	1,492	2	5	2	5	51	15	-46	-10
Hardin	5,638	15	25	14,312	14,419	14,588	16	25	16	25	58	49	-33	-24
Hawkins	2,949	8	15	7,626	7,702	7,832	8	15	8	15	50	46	-35	-31
Haywood	140	0	2	313	311	306	0	2	0	2	62	36	-60	-34
Henderson	1,167	3	7	5,628	5,724	5,904	3	7	3	8	45	45	-37	-37
Henry	13,599	37	52	29,816	30,081	30,517	38	52	38	53	142	101	-89	-48
Hickman	1,443	4	9	1,688	1,723	1,789	4	9	4	9	25	25	-16	-16
Houston	2,475	7	13	3,638	3,696	3,812	7	13	7	13	25	25	-12	-12
Humphreys	1,283	4	8	2,587	2,605	2,633	4	8	4	8	25	25	-17	-17

ACUTE-CARE BED NEED PROJECTIONS FOR 2016 AND 2020, BASED ON FINAL 2014 HOSPITAL JARS

COUNTY	2014		CURRENT NEED	SERVICE AREA POPULATION			PROJECTED		PROJECTED		2014 ACTUAL BEDS		SHORTAGE/SURPLUS	
	INPATIENT DAYS	ADC		2014	2016	2020	ADC-2016	NEED 2016	PROJECTED		LICENSED	STAFFED	LICENSED	STAFFED
									ADC-2020	NEED 2020				
Jackson	6,679	18	28	16,845	17,225	17,943	19	29	19	30	58	58	-28	-28
Jefferson	35	0	1								2	2		
Johnson	456,616	1,251	1,564	809,583	828,587	865,489	1,280	1,600	1,337	1,672	2,167	1,764	-495	-92
Knox														
Lake	987	3	7	2,416	2,439	2,484	3	7	3	7	25	25	-18	-18
Lauderdale	7,029	19	30	15,020	15,155	15,382	19	30	20	30	99	80	-69	-50
Lawrence														
Lewis														
Lincoln	6,059	17	26	16,746	16,955	17,340	17	26	17	27	59	59	-32	-32
Loudon	7,104	20	30	13,884	14,353	15,261	20	31	21	32	50	30	-18	2
McMinn	12,111	33	47	25,443	25,796	26,443	34	47	35	48	190	108	-142	-60
McNairy	2,621	7	13	7,703	7,791	7,944	7	14	7	14	45	45	-31	-31
Macon	3,179	9	16	5,197	5,285	5,454	9	16	9	16	25	25	-9	-9
Madison	178,297	489	611	294,911	297,961	303,590	494	617	503	629	787	763	-158	-134
Marion	10,301	28	41	5,973	6,063	6,224	29	41	29	42	70	36	-28	6
Marshall	489	1	4	1,693	1,735	1,816	1	4	1	4	25	12	-21	-8
Maury	41,528	114	142	112,027	114,164	118,175	116	145	120	150	255	194	-105	-44
Meigs														
Meigs	9,561	26	38	18,126	18,535	19,303	27	39	28	40	59	59	-19	-19
Monroe	38,826	106	133	116,777	122,525	134,068	112	140	122	153	270	220	-117	-67
Montgomery														
Moore														
Morgan														
Obion	10,742	29	42	21,344	21,374	21,387	29	42	29	42	173	85	-131	-43
Overton	14,342	39	54	19,453	19,793	20,425	40	55	41	56	114	82	-58	-26
Perry	5,068	14	23	3,607	3,657	3,746	14	23	14	23	53	39	-30	-16
Pickett														
Polk	0	0	0											
Putnam	57,845	159	198	109,792	112,514	117,517	162	203	170	212	247	243	-35	-31
Rhea	3,513	10	17	7,913	8,067	8,360	10	17	10	18	25	25	-7	-7
Roane	8,466	23	34	16,710	16,878	17,157	23	35	24	35	54	54	-19	-19
Robertson	13,729	38	52	25,097	25,927	27,557	39	53	41	56	109	66	-53	-10
Rutherford	97,365	267	334	253,489	267,465	295,916	282	352	311	389	491	490	-102	-101
Scott	2,064	6	11	4,116	4,153	4,216	6	11	6	11	25	25	-14	-14
Sequatchie														
Sevier	15,281	42	57	41,595	43,104	46,071	43	59	46	62	79	75	-17	-13
Shelby	925,327	2,535	3,169	1,470,768	1,490,331	1,528,353	2,569	3,211	2,634	3,293	4,177	3,147	-884	146
Smith	6,272	17	27	8,328	8,463	8,722	17	27	18	28	25	25	3	3
Stewart														
Sullivan	203,866	559	698	381,048	386,007	395,496	566	707	580	725	1,056	796	-331	-71
Sumner	56,236	154	193	124,677	128,714	136,567	159	199	169	211	303	254	-92	-43
Tipton	3,041	8	15	10,809	11,096	11,655	9	15	9	16	100	44	-84	-28
Trousdale	2,126	6	11	2,731	2,784	2,889	6	12	6	12	25	12	-13	0
Unicoi	3,923	11	18	5,848	5,898	5,993	11	18	11	19	48	13	-29	6

ACUTE-CARE BED NEED PROJECTIONS FOR 2016 AND 2020, BASED ON FINAL 2014 HOSPITAL JARS

COUNTY	2014		CURRENT NEED	SERVICE AREA POPULATION			PROJECTED		PROJECTED		2014 ACTUAL BEDS		SHORTAGE/SURPLUS	
	INPATIENT DAYS	ADC		2014	2016	2020	ADC-2016	NEED 2016	ADC-2020	NEED 2020	LICENSED	STAFFED	LICENSED	STAFFED
Union	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Van Buren	11,326	31	44	19,892	20,053	20,348	31	44	32	45	125	125	-80	-80
Warren	152,970	419	524	197,424	200,917	207,597	427	533	441	551	581	571	-30	-20
Washington	1,732	5	10	4,807	4,843	4,902	5	10	5	10	80	32	-70	-22
Wayne	4,753	13	21	13,961	14,068	14,150	13	22	13	22	100	65	-78	-43
Weakley	5,635	15	25	8,676	8,832	9,121	16	25	16	26	60	2	-34	2
White	29,873	82	103	96,527	100,704	108,513	85	107	92	115	185	185	-70	-70
Williamson	30,281	83	104	48,096	49,783	53,045	86	108	92	114	245	245	-131	-131
Wilson														

Source: Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics. Sep 17, 2015

Hospital Data from Final JAR-Hospitals Schedules F and G.

Underlying Tennessee population estimates and projections from University of Tennessee, Center for Business and Economic Research (2015 series).

Projections and estimates for TN border states obtained from those respective states.

2. New hospital beds can be approved in excess of the “need standard for a county” if the following criteria are met:

a) All existing hospitals in the projected service area have an occupancy level greater than or equal to 80% for the most recent joint annual report. Occupancy should be based on the number of licensed beds rather than on staffed beds.

b) All outstanding new acute care bed CON projects in the proposed service area are licensed.

c) The Health Facilities Agency may give special consideration to acute care bed proposals for specialty health service units in tertiary care regional referral hospitals.

Not applicable. This application does not propose to add new licensed beds.

Project-Specific Review Criteria: Replacement of Health Care Institutions

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.

Not applicable. The project does none of those.

2. For relocation or replacement of an existing licensed healthcare institution:

a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

Not applicable; the project is not relocating or replacing an institution.

3. For renovation or expansion of an existing licensed healthcare institution:

a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.

The applicant is one of two designated Trauma Centers in Davidson County--a Level II Trauma Center serving patients in the northern sector of the greater Nashville area. Bed availability has become a major problem. Medical-surgical admissions and patient days continue to increase and those beds have high occupancies currently

This year, based on annualizing ten months of CY2016 utilization, Skyline's approved main campus total beds will exceed 84% average occupancy, and its approved medical-surgical beds will exceed 87% occupancy. So the relocated beds are very much needed based on actual demand at the project location.

b. the applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

There is no existing space within which an additional 31 beds could be housed. Therefore an expansion of the second floor of the hospital is a necessity.

B-NEED (Continued)

B2. Describe the relationship of this project to the applicant facility's long-range development plans, if any, and how it relates to previously approved projects of the applicant.

This bed relocation will be the fourth and final phase of an orderly program of converting TriStar Skyline Medical Center's Madison campus to an exclusively behavioral medicine facility, with all other acute care services located at TriStar Skyline's main campus.

All three phases received CON approval and did not increase Skyline's consolidated bed license.

The first phase moved all the satellite's rehabilitation beds to the main campus. The second phase transferred medical-surgical and critical care beds to renovated space on the main campus. The third phase transferred 10 more of the satellite's medical-surgical beds to the main campus to provide some rapid relief for severe bed shortages in peak periods, using only minor renovation.

When complete, this concentration of Skyline's medical-surgical beds at its main campus will enable the hospital to better support its patients, particularly those who are utilizing its Trauma Service and high-growth programs such as Neurosurgery. At present, Skyline's medical-surgical beds are almost at capacity most of the week, while demand for admissions continues to increase.

B3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map for the Tennessee portion of the service area, using the map on the following page, clearly marked to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the bordering states, if applicable.

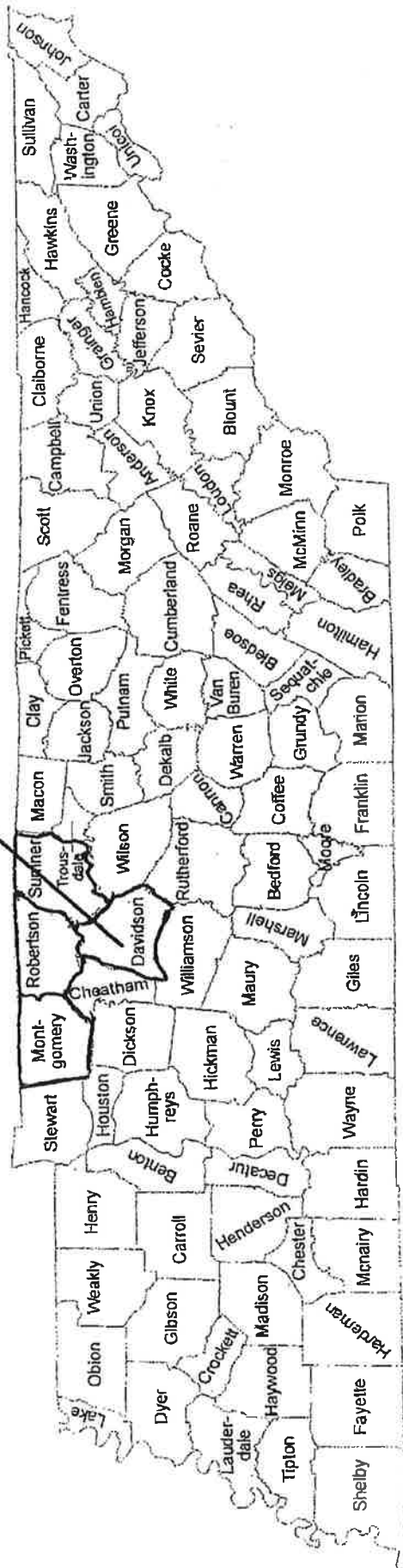
The primary service area for the project is, and will continue to be, Davidson, Sumner, Robertson, and Montgomery Counties, which together generated 88.4% of Skyline's Tennessee admissions in CY2015, and 79% of total admissions from all counties and States. No other county generated more than 4.5% of Skyline's admissions that year.

A map of the primary service area is provided on the following page, and also in Attachment Section B-Need-3.

Please complete the following table, if applicable:

Primary Service Area (PSA) Counties	CY2015 Admissions of County Residents to Skyline	% of Total Admissions
Davidson	6,614	55.1%
Sumner	1,356	11.3%
Robertson	966	8.1%
Montgomery	554	4.6%
PSATotals	9,490	79.1%
Other Counties and States	2,512	20.9%
Total Admissions	12,002	100.0%

SKYLINE MEDICAL CENTER PRIMARY SERVICE AREA
(FOUR COUNTIES)



4A(1). Describe the demographics of the population to be served by the proposal.

The primary service area population is slightly younger than the State average, with a median age of 35 years compared to the State median age of 38 years.

These four counties constitute only 4.2% of all Tennessee counties--but they contain 16.7% of the Statewide population. From 2016 to 2020, the area's population is projected to increase rapidly, at 6.2% compared to the State rate of 4.3% for all ages. Its adult population is projected to increase at 5.6% compared to a State rate of 4.8%.

The service area is a significantly higher median income than the State--\$52,017 compared to Tennessee's \$44,621. The area's percentage of persons living in poverty, and its percentage enrolled in TennCare, are slightly lower than the State average.

4A(2). Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the U.S. Census Bureau, complete the following table and include data for each county in your proposed service area.

Projected Population Data:

<http://www.tn.gov/health/article/statistics-population>

TennCare Enrollment Data:

<http://www.tn.gov/tenncare/topic/enrollment-data>

Census Bureau Fact Finder:

<http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

Please see Table B-Need-4(A)2 on the following page.

Table B-Need-4A(2): (Project Name) Table B-Need 4(A)2: Demographic Characteristics of Primary Service Area 2016-2020												
	Department of Health / Health Statistics						Bureau of the Census				TennCare	
Primary Service Area Counties	Current Total Population 2016	Projected Total Population 2020	Total Population % Change 2016 - 2020	Current Target* Population Age 18+ 2016	Projected Target* Population Age 18+ 2020	Projected Target* Population % Change 2016 - 2020	Projected Target* Population Total 2020	Median Age	Median Household Income	Persons Below Poverty Level	Persons Below Poverty Level as % of Total Population	TennCare Enrollees as % of Total County Zip Code Population
Davidson	680,427	714,756	5.0%	518,694	539,109	3.9%	75.4%	33.9	\$47,434	127,920	18.8%	153,938
Sumner	178,730	190,261	6.5%	136,017	146,486	7.7%	77.0%	38.6	\$56,193	18,230	10.2%	31,062
Robertson	73,796	78,659	6.6%	55,397	59,488	7.4%	75.6%	37.6	\$53,748	9,077	12.3%	14,533
Montgomery	201,598	221,620	9.9%	143,170	156,218	9.1%	70.5%	30.0	\$50,693	32,860	16.3%	36,928
Service Area Total	1,134,551	1,205,296	6.2%	853,278	901,301	5.6%	74.8%	35.0	\$52,017	188,088	16.6%	236,461
State of TN Total	6,812,005	7,108,131	4.3%	5,241,318	5,494,030	4.8%	77.3%	38.0	\$44,621	1,212,537	17.8%	1,544,940

Sources: TDOH Population Projections, 2015; U.S. Census QuickFacts; TennCare Bureau.

Service area data is either total, or average, as appropriate.

4.B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

Like other services of Skyline Medical Center, this proposed small medical-surgical bed expansion will be accessible to the above groups. It will accept both Medicare and TennCare patients.

5. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must provide the following data: admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the appropriate measures, e.g., cases, procedures, visits, admissions, etc. This does not apply to projects that are solely relocating a service.

Please see Table B-Need-5 on the following page. The service area contains thirteen comparable hospitals, excluding dedicated rehabilitation, behavioral, and long-term facilities. In 2015, the most recently reported year, they averaged 59.4% occupancy on licensed beds--ranging from 28.1% at Northcrest Medical Center in Springfield, to 81.8% at Vanderbilt Medical Center. In 2013 and 2014, average occupancy on these hospitals was 60.9% and 58.7%, respectively.

**Table B-Need-5: General Acute Care Hospital Utilization in Primary Service Area
2010-2013**

2015 Joint Annual Reports of Hospitals								
State ID	Facility Name	County	Licensed Beds	Admissions	Days	Avg Length of Stay (Days)	Avg Daily Census (Patients)	Occupancy on Licensed Beds
	Centennial Medical Center	Davidson	657	31,302	173,450	5.5	475	72.3%
	Metro NV General Hospital	Davidson	150	3,735	16,797	4.5	46	30.7%
	Saint Thomas Midtown Hospital	Davidson	683	23,026	103,909	4.5	285	41.7%
	Saint Thomas West Hospital	Davidson	541	17,652	89,969	5.1	246	45.6%
	Skyline Medical Center, Nashville	Davidson	233	12,002	64,461	5.4	177	75.8%
	Southern Hills Medical Center	Davidson	126	4,854	22,487	4.6	62	48.9%
	Summit Medical Center	Davidson	196	10,659	45,776	4.3	125	64.0%
	The Center for Spinal Surgery	Davidson	23	1,617	2,199	1.4	6	26.2%
	Vanderbilt Medical Center	Davidson	1,025	53,546	305,953	5.7	838	81.8%
	Gateway Medical Center	Montgomery	270	9,651	35,191	3.6	96	35.7%
	Northcrest Medical Center	Robertson	109	2,899	11,186	3.9	31	28.1%
	Hendersonville Medical Center	Sumner	110	5,879	20,052	3.4	55	49.9%
	Sumner Regional Medical Center	Sumner	155	8,079	36,470	4.5	100	64.5%
	SERVICE AREA TOTALS		4,278	184,901	927,900	5.0	2,542	59.4%

2014 Joint Annual Reports of Hospitals								
State ID	Facility Name	County	Licensed Beds	Admissions	Days	Avg Length of Stay (Days)	Avg Daily Census (Patients)	Occupancy on Licensed Beds
	Centennial Medical Center	Davidson	657	29,773	165,182	5.5	453	68.9%
	Metro NV General Hospital	Davidson	150	3,754	17,250	4.6	47	31.5%
	Saint Thomas Midtown Hospital	Davidson	683	23,196	103,516	4.5	284	41.5%
	Saint Thomas West Hospital	Davidson	541	19,017	91,361	4.8	250	46.3%
	Skyline Medical Center, Nashville	Davidson	223	10,938	60,163	5.5	165	73.9%
	Southern Hills Medical Center	Davidson	126	4,581	22,039	4.8	60	47.9%
	Summit Medical Center	Davidson	196	10,599	45,132	4.3	124	63.1%
	The Center for Spinal Surgery	Davidson	23	1,189	1,648	1.4	5	19.6%
	Vanderbilt Medical Center	Davidson	1,025	55,422	302,807	5.5	830	80.9%
	Gateway Medical Center	Montgomery	270	9,784	36,792	3.8	101	37.3%
	Northcrest Medical Center	Robertson	109	2,937	12,263	4.2	34	30.8%
	Hendersonville Medical Center	Sumner	110	5,692	19,295	3.4	53	48.1%
	Sumner Regional Medical Center	Sumner	155	8,142	36,733	4.5	101	64.9%
	SERVICE AREA TOTALS		4,268	185,024	914,181	4.9	2,505	58.7%

Note: Tables exclude dedicated rehabilitation, long-term acute, and psychiatric facilities.

2013 Joint Annual Reports of Hospitals								
State ID	Facility Name	County	Licensed Beds	Admissions	Days	Avg Length of Stay (Days)	Avg Daily Census (Patients)	Occupancy on Licensed Beds
	Centennial Medical Center	Davidson	657	30,620	162,537	5.3	445	67.8%
	Metro NV General Hospital	Davidson	150	3,984	17,269	4.3	47	31.5%
	Saint Thomas Midtown Hospital	Davidson	683	29,253	122,815	4.2	336	49.3%
	Saint Thomas West Hospital	Davidson	541	21,386	99,877	4.7	274	50.6%
	Skyline Medical Center, Nashville	Davidson	213	10,024	55,811	5.6	153	71.8%
	Southern Hills Medical Center	Davidson	126	4,209	20,068	4.8	55	43.6%
	Summit Medical Center	Davidson	188	11,702	45,628	3.9	125	66.5%
	The Center for Spinal Surgery	Davidson	23	1,120	1,485	1.3	4	17.7%
	Vanderbilt Medical Center	Davidson	1,019	57,768	306,878	5.3	841	82.5%
	Gateway Medical Center	Montgomery	270	11,531	39,986	3.5	110	40.6%
	Northcrest Medical Center	Robertson	109	3,751	14,987	4.0	41	37.7%
	Hendersonville Medical Center	Sumner	110	6,524	21,924	3.4	60	54.6%
	Sumner Regional Medical Center	Sumner	155	8,080	33,900	4.2	93	59.9%
	SERVICE AREA TOTALS		4,244	199,952	943,165	4.7	2,584	60.9%

*Note: Tables exclude dedicated rehabilitation, long-term acute, and psychiatric facilities.
Source: Joint Annual Reports of Hospitals; THA Database*

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three years and the projected annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

Table B-Need-6A on the following page provides TriStar Skyline Medical Center's main campus utilization of medical-surgical and total licensed beds. The data are both historical for 2013-2015, and projected for 2016-2021 (through Year Two of the project). Data is provided for not only admitted inpatients, but also for admitted inpatients plus observation patients.

Please note the significant difference in "occupancy" when considering observation patients along with fully admitted patients. With continuing insurer pressures to place patients in "observation" status rather than "inpatient" status through formal admission, hospitals are using increasing numbers of their beds for observation care (which is reimbursed at a lower rate, or not at all, by payors). Page 25 of the Joint Annual Report has long been used by health planners to calculate "occupancy"; but this ignores the growing numbers of persons lying in hospital beds in observation status. These observation patients do receive care. Their care is usually reimbursed at special rates by insurers. To ignore their use of bed resources is inappropriate for meaningful bed need planning. This current year, Skyline's average occupancy on its medical-surgical beds calculated only on "admitted" patients is projected to be approximately 78.3%. However, calculated realistically on both admitted and observation patients, it will reach 87.5%.

The table's historical data is from hospital internal records. Projected data is based on the following methodologies.

1. Medical-surgical patient days have increased an average of approximately 7.5% per year from 2013 through 2016, with an average length of stay (ALOS) of 5.7 to 6.0 days. After 2017, they are conservatively projected to increase at approximately 2% per year with an ALOS of 5.0 days.

2. Total patient days (which include medical/surgical, critical care and rehabilitation beds) have increased an average of approximately 6% per year from 2013 through 2016, with an average length of stay of 5.4 to 5.6 days. Hospital management projects conservatively that they will increase 2% per year after 2017, with an ALOS of 5.5 days.

Table B-Need-6A: Actual and Projected Licensed Bed Utilization TriStar Skyline Medical Center Main Campus 2013-2021															
Medical-Surgical Licensed Bed Utilization--Actual and Projected 2013-2021 Includes Observation Patients								Total Licensed Bed Utilization--Actual and Projected 2013-2021 Includes Observation Patients							
Year	MED-SURG Beds	Admissions	Days	Avg Length of Stay (Days)	Avg Daily Census (Patients)	Days of Capacity	Occupancy on Licensed Beds	Year	TOTAL Beds	Admissions	Days	Avg Length of Stay (Days)	Avg Daily Census (Patients)	Days of Capacity	Occupancy on Licensed Beds
Actual								Actual							
2013	138	6,569	37,543	5.7	103	50,370	74.5%	2013	213	10,033	60,182	6.0	165	77,745	77.4%
2014	138	6,978	41,954	6.0	115	50,370	83.3%	2014	218	10,935	65,993	6.0	181	79,570	82.9%
2015	137	7,820	44,388	5.7	122	50,005	88.8%	2015	223	11,998	69,885	5.8	191	81,395	85.9%
Projected								Projected							
2016	147	8,439	46,968	5.6	129	53,802	87.3%	2016	233	12,116	71,748	5.9	197	85,278	84.1%
2017	147	8,608	48,204	5.6	132	53,655	89.8%	2017	233	12,358	72,914	5.9	200	85,045	85.7%
2018	147	8,780	49,168	5.6	135	53,655	91.6%	2018	233	12,658	74,372	5.9	204	85,045	87.5%
2019	147	8,956	50,151	5.6	137	53,655	93.5%	2019	233	12,858	75,860	5.9	208	85,045	89.2%
Yr 1-2020	187	9,135	51,154	5.6	140	68,442	74.7%	Yr 1-2020	287	13,115	77,377	5.9	212	105,042	73.7%
Yr 2-2021	187	9,317	52,177	5.6	143	68,255	76.4%	Yr 2-2021	287	13,377	78,925	5.9	216	104,755	75.3%

Medical-Surgical Licensed Bed Utilization--Actual and Projected 2013-2021 Excludes Observation Patients															
Year	MED-SURG Beds	Admissions	Days	Avg Length of Stay (Days)	Avg Daily Census (Patients)	Days of Capacity	Occupancy on Licensed Beds	Year	TOTAL Beds	Admissions	Days	Avg Length of Stay (Days)	Avg Daily Census (Patients)	Days of Capacity	Occupancy on Licensed Beds
Actual								Actual							
2013	138	6,569	33,398	5.1	92	50,370	66.3%	2013	213	10,033	55,814	5.6	153	77,745	71.8%
2014	138	6,978	36,150	5.2	99	50,370	71.8%	2014	218	10,935	59,826	5.5	164	79,570	75.2%
2015	137	7,820	39,518	5.1	108	50,005	79.0%	2015	223	11,998	64,688	5.4	177	81,395	79.5%
Projected								Projected							
2016	147	8,439	41,994	5.0	115	53,802	78.1%	2016	233	12,116	66,539	5.5	182	85,278	78.0%
2017	147	8,608	43,039	5.0	118	53,655	80.2%	2017	233	12,358	67,971	5.5	186	85,045	79.9%
2018	147	8,780	43,900	5.0	120	53,655	81.8%	2018	233	12,605	69,330	5.5	190	85,045	81.5%
2019	147	8,956	44,778	5.0	123	53,655	83.5%	2019	233	12,858	70,717	5.5	194	85,045	83.2%
Yr 1-2020	187	9,135	45,673	5.0	125	68,442	66.7%	Yr 1-2020	287	13,115	72,131	5.5	198	105,042	68.7%
Yr 2-2021	187	9,317	46,587	5.0	128	68,255	68.3%	Yr 2-2021	287	13,377	73,574	5.5	202	104,755	70.2%

Put on a quarterly basis, Table B-Need-6B below shows the five most recent calendar quarters' average daily census and occupancy on the applicant's medical-surgical beds. This is shown both with, and without, observation patient utilization of those beds. This is based on 365 days a year. Obviously mid-week occupancies are even higher because Monday-Friday is the typical workweek for the majority of medical-surgical activity.

Table B-Need-6B: Recent Quarterly Utilization of Medical-Surgical Beds TriStar Skyline Medical Center					
	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
M/S Beds	137	137	137	147	147
<i>Including Observation Patients</i>					
ADC	120.4	122.9	125.8	119.7	121.0
Occupancy	87.9%	89.7%	91.8%	81.4%	82.3%
<i>Excluding Observation Patients</i>					
ADC	111.7	113.8	115.3	107.9	107.5
Occupancy	81.5%	83.1%	84.2%	73.4%	73.1%

ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

A. All projects should have a project cost of at least \$15,000 (the minimum CON Filing Fee), (See application instructions for Filing Fee.)

B. The cost of any lease, The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.

C. The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.

D. Complete the Square Footage Chart on page 8 and provide the documentation. Please note the Total Construction Cost reported on line 5 of the Project Cost Chart should equal the Total Construction Cost reported on the Square Footage Chart.

The Project Cost Chart follows this page. It has been completed in conformity with the above instructions. The Square Footage Chart has been completed and is in Attachment Section B-Economic Feasibility-1D.

Construction Costs of This Project			
	Renovated Construction	New Construction	Total Project
Square Feet	0	51,372 SF	51,372 SF
Construction Cost	0	\$22,800,000	\$22,800,000
Constr. Cost PSF	0	\$443.82	\$443.82

The project construction cost (\$22,800,000) is \$443.82 PSF. It includes inflation between now and the construction period. The PSF cost is higher than the 3rd quartile of average hospital construction costs recorded by the HSDA Registry (\$374.32); but HSDA data is based on averages of 2013-15, which is five years before the midpoint of this construction project. This is a time period when construction costs for healthcare projects are increasing. The applicant's parent company is already experiencing some construction bids exceeding \$400 PSF.

1.E. For projects that include new construction, modification, and/or renovation documentation must be provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following:

- 1) A general description of the project;**
- 2) An estimate of the cost to construct the project; and**
- 3) A description of the status of the site's suitability for the proposed project;**
- 4) Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority.**

See Attachment Section B-Economic Feasibility-1E.

PROJECT COST CHART--SKYLINE MEDICAL-SURGICAL BED ADDITION

A. Construction and equipment acquired by purchase:

1. Architectural and Engineering Fees	\$ 1,548,000
2. Legal, Administrative, Consultant Fees (Excl CON Filing Fee)	30,000
3. Acquisition of Site	0
4. Preparation of Site	0
5. Total Construction Cost	22,800,000
6. Contingency Fund	769,000
7. Fixed Equipment (Not included in Construction Contract)	0
8. Moveable Equipment (List all equipment over \$50,000 as separate attachment)	2,106,000
9. Other (Specify) <u>testing, building fees</u>	353,000
<u>IS, telecommunications</u>	1,325,000

B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land)	0
2. Building only	0
3. Land only	0
4. Equipment (Specify) _____	0
5. Other (Specify) _____	0

C. Financing Costs and Fees:

1. Interim Financing	1,012,000
2. Underwriting Costs	0
3. Reserve for One Year's Debt Service	0
4. Other (Specify) _____	0

D. Estimated Project Cost (A+B+C)

29,943,000

E. CON Filing Fee

95,000

F. Total Estimated Project Cost (D+E)

TOTAL \$ 30,038,000

Actual Capital Cost 30,038,000
Section B FMV 0

2. Identify the funding sources for this project.

Check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)

- ☐ A. Commercial loan – Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ B. Tax-exempt bonds – Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ C. General obligation bonds – Copy of resolution from issuing authority or minutes from the appropriate meeting;
- ☐ D. Grants – Notification of intent form for grant application or notice of grant award;
- ☒ E. Cash Reserves – Appropriate documentation from Chief Financial Officer of the organization providing the funding for the project and audited financial statements of the organization; and/or
- ☐ F. Other – Identify and document funding from all other sources.

See Attachment Section B-Economic Feasibility-2 for documentation of financing.

The project will be funded by a cash grant from HCA Holdings, Inc. (the parent company of the applicant), made to the applicant through TriStar Health System, the Division office of the company in Middle Tennessee.

3. Complete Historical Data Charts on the following pages—Do not modify the Charts provided or submit Chart substitutions!

Historical Data Chart represents revenue and expense information for the last three (3) years for which complete data is available. Provide a Chart for the total facility and a Chart just for the services being presented in the proposed project, if applicable. Only complete one chart if it suffices. Note that “Management Fees to Affiliates” should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. “Management Fees to Non-Affiliates” should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

For both the historic and projected charts, there is a “management fee” indicated to an affiliated company (HCA, the parent company). That does not indicate an actual management contract. It is the way HCA allocates its corporate expenses to all the hospitals comprising the company. It is estimated as a percent of net operating revenues. The percent varies from year to year. Please see the notes page to the Projected Data Chart for the percentage used for projection purposes.

“Other” expenses include payments to an internal HCA entity named Parallon. It is a recently organized, wholly owned subsidiary of HCA. It provides support services for the hospitals and allocates the costs of those services back to the hospitals. The services provided by Parallon include:

- All normal Business Office functions (billing, collections, cashiering, etc.)
- Central Scheduling
- Revenue Integrity (chart auditing, charge capture, charge master maintenance)
- Credentialing Functions
- Supply Chain--Materials Management, Accounts Payable & Warehouse
- Payroll functions
- Health Information Management (Medical Records) functions

X TOTAL FACILITY
O PROJECT ONLY

HISTORICAL DATA CHART --SKLYLINE MEDICAL CENTER

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

			Year 2013	Year 2014	Year 2015
A.	Utilization Data	Admissions	10,033	10,935	11,998
	(Specify unit or measure)	Discharge Days	55,811	60,163	64,461
B.	Revenue from Services to Patients				
1.	Inpatient Services		\$ 627,267,000	\$ 746,682,000	\$ 897,897,000
2.	Outpatient Services		339,750,000	402,452,000	444,497,000
3.	Emergency Services		78,427,000	105,430,000	129,061,000
4.	Other Operating Revenue		148,000	106,000	135,000
	(Specify) See notes page				
	Gross Operating Revenue		\$ 1,045,592,000	\$ 1,254,670,000	\$ 1,471,590,000
C.	Deductions from Gross Operating Revenue				
1.	Contractual Adjustments		\$ 826,980,000	\$ 1,012,522,000	\$ 1,208,606,000
2.	Provision for Charity Care		13,526,000	12,580,000	20,620,000
3.	Provisions for Bad Debt		28,681,000	29,293,000	23,215,000
	Total Deductions		\$ 869,187,000	\$ 1,054,395,000	\$ 1,252,441,000
	NET OPERATING REVENUE		\$ 176,405,000	\$ 200,275,000	\$ 219,149,000
D.	Operating Expenses				
1.	Salaries and Wages		\$ 68,512,000	\$ 76,283,000	\$ 81,547,000
	a. Clinical				
	b. Non-Clinical				
2.	Physicians Salaries and Wages				
3.	Supplies		27,786,000	32,244,000	36,810,000
4.	Rent				
	c. Paid to Affiliates				
	d. Paid to Non-Affiliates		1,352,000	1,528,000	1,542,000
5.	Management Fees				
	a. Paid to Affiliates		12,042,000	12,808,000	13,803,000
	b. Paid to Non-Affiliates		0	0	0
6.	Other Operating Expenses	See notes page.	30,249,000	34,664,000	37,970,000
	Total Operating Expenses		\$ 139,941,000	\$ 157,527,000	\$ 171,672,000
E.	Earnings Before Interest, Taxes, and Depreciation		\$ 36,464,000	\$ 42,748,000	\$ 47,477,000
F.	Non-Operating Expenses				
1.	Taxes		\$ 1,388,000	1,279,000	1,498,000
2.	Depreciation		5,335,000	6,093,000	7,368,000
3.	Interest		(3,684,000)	(4,647,000)	(5,724,000)
4.	Other Non-Operating Expenses				
	Total Non-Operating Expenses		\$ 3,039,000	\$ 2,725,000	\$ 3,142,000
	NET INCOME (LOSS)		\$ 33,425,000	\$ 40,023,000	\$ 44,335,000

Chart Continues Onto Next Page

	Year 2013	Year 2014	Year 2015
NET INCOME (LOSS)	\$ 33,425,000	\$ 40,023,000	\$ 44,335,000
G. Other Deductions			
1. Annual Principal Debt Repayment	\$	\$	\$
2. Annual Capital Expenditure			
Total Other Deductions	\$ 0	\$ 0	\$ 0
NET BALANCE	\$ 33,425,000	\$ 40,023,000	\$ 44,335,000
DEPRECIATION	\$ 5,335,000	\$ 6,093,000	\$ 7,368,000
FREE CASH FLOW (Net Balance + Depreciation)	\$ 38,760,000	\$ 46,116,000	\$ 51,703,000

X TOTAL FACILITY
O PROJECT ONLY

HISTORICAL DATA CHART -- OTHER EXPENSES

OTHER EXPENSES CATEGORIES

	Year 2013	Year 2014	Year 2015
1. Professional Services	4,406,000	5,225,000	6,538,000
2. Contract Services	16,957,000	18,819,000	21,203,000
3. Repairs and Maintenance	3,610,000	4,273,000	4,236,000
4. Utilities	2,048,000	2,241,000	2,250,000
5. Insurance	761,000	1,093,000	939,000
6. Interest income & sale of assets	(32,000)	(70,000)	(35,000)
7. Legal and Accounting Services	124,000	323,000	242,000
8. Marketing Expenses	560,000	549,000	559,000
9. Postage	298,000	214,000	258,000
10. Travel and Entertainment	133,000	192,000	208,000
11. Dues and Subscriptions	154,000	145,000	149,000
12. Education and Development	210,000	282,000	501,000
13. Recruiting	568,000	703,000	184,000
14. Licenses, permits and software	452,000	675,000	738,000
15.			
Total Other Expenses	\$ 30,249,000	\$ 34,664,000	\$ 37,970,000

O TOTAL FACILITY

X PROJECT ONLY

HISTORICAL DATA CHART -- MEDICAL-SURGICAL DEPARTMENT/BEDS

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

		Year 2013	Year 2014	Year 2015
A.	Utilization Data			
	(Specify unit or measure)			
	Admissions	6,569	6,978	7,820
	Discharge Days	33,398	36,150	39,518
B.	Revenue from Services to Patients			
1.	Inpatient Services	\$ 422,689,000	\$ 500,720,000	\$ 595,568,000
2.	Outpatient Services	41,296,000	57,657,000	58,744,000
3.	Emergency Services			
4.	Other Operating Revenue			
	(Specify) See notes page			
	Gross Operating Revenue	\$ 463,985,000	\$ 558,377,000	\$ 654,312,000
C.	Deductions from Gross Operating Revenue			
1.	Contractual Adjustments	\$ 371,557,000	\$ 454,749,000	\$ 529,569,000
2.	Provision for Charity Care	6,339,000	7,758,000	9,035,000
3.	Provisions for Bad Debt	7,137,000	8,735,000	10,172,000
	Total Deductions	\$ 385,033,000	\$ 471,242,000	\$ 548,776,000
	NET OPERATING REVENUE	\$ 78,952,000	\$ 87,135,000	\$ 105,536,000
D.	Operating Expenses			
1.	Salaries and Wages	\$ 32,921,000	\$ 37,098,000	\$ 39,534,000
	a. Clinical			
	b. Non-Clinical			
2.	Physicians Salaries and Wages			
3.	Supplies	15,612,000	18,494,000	21,475,000
4.	Rent			
	c. Paid to Affiliates			
	d. Paid to Non-Affiliates	606,000	739,000	708,000
5.	Management Fees			
	a. Paid to Affiliates	5,628,000	5,889,000	6,609,000
	b. Paid to Non-Affiliates			
6.	Other Operating Expenses See notes page.	14,487,000	16,728,000	18,237,000
	Total Operating Expenses	\$ 69,254,000	\$ 78,948,000	\$ 86,563,000
E.	Earnings Before Interest, Taxes, and Depreciation	\$ 9,698,000	\$ 8,187,000	\$ 18,973,000
F.	Non-Operating Expenses			
1.	Taxes	\$ 668,000	\$ 624,000	\$ 738,000
2.	Depreciation	2,566,000	2,972,000	3,630,000
3.	Interest	(1,772,000)	(2,266,000)	(2,820,000)
4.	Other Non-Operating Expenses			
	Total Non-Operating Expenses	\$ 1,462,000	\$ 1,330,000	\$ 1,548,000
	NET INCOME (LOSS)	\$ 8,236,000	\$ 6,857,000	\$ 17,425,000

Chart Continues Onto Next Page

	Year 2013	Year 2014	Year 2015
NET INCOME (LOSS)	\$ 8,236,000	\$ 6,857,000	\$ 17,425,000
G. Other Deductions			
1. Annual Principal Debt Repayment	\$	\$	\$
2. Annual Capital Expenditure			
Total Other Deductions	\$ 0	\$ 0	\$ 0
NET BALANCE	\$ 8,236,000	\$ 6,857,000	\$ 17,425,000
DEPRECIATION	\$	\$	\$
FREE CASH FLOW (Net Balance + Depreciation)	\$ 8,236,000	\$ 6,857,000	\$ 17,425,000

O TOTAL FACILITY
X PROJECT ONLY

HISTORICAL DATA CHART -- OTHER EXPENSES

OTHER EXPENSES CATEGORIES

	Year 2013	Year 2014	Year 2015
1. Contract Services	\$ 9,866,000	\$ 11,189,000	\$ 12,971,000
2. Pro Fee's	\$ 63,000	\$ 79,000	\$ 71,000
3. Other Exp	\$ 3,300,000	\$ 3,953,000	\$ 3,811,000
4. Insurance	\$ 362,000	\$ 532,000	\$ 464,000
5. Repairs/Maintenance	\$ 896,000	\$ 974,000	\$ 919,000
6. Utilities	\$ 0	\$ 1,000	\$ 1,000
7.			
8.			
9.			
10.			
Total Other Expenses	\$ 14,487,000	\$ 16,728,000	\$ 18,237,000

4. Complete Projected Data Charts on the following pages – *Do not modify the Charts provided or submit Chart substitutions!*

The Projected Data Chart requests information for the two years following the completion of the proposed services that apply to the project. Please complete two Projected Data Charts. One Projected Data Chart should reflect revenue and expense projections for the *Proposal Only* (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility). The second Chart should reflect information for the total facility. Only complete one chart if it suffices.

Note that “Management Fees to Affiliates” should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. “Management Fees to Non-Affiliates” should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

Please see the two charts on the following pages.

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TOTAL FACILITY
PROJECT ONLY

PROJECTED DATA CHART -- SKYLINE MEDICAL CENTER

Give information for the last three (3) years for which complete data are available for the facility or agency.
The fiscal year begins in January.

		Year 2020	Year 2021	
A.	Utilization Data	Admissions	13,115	13,377
	(Specify unit or measure)	Discharge Days	72,131	73,574
B.	Revenue from Services to Patients			
1.	Inpatient Services	\$ 1,476,285,000	\$ 1,626,284,000	
2.	Outpatient Services	730,824,000	805,079,000	
3.	Emergency Services	212,197,000	233,757,000	
4.	Other Operating Revenue	222,000	245,000	
	(Specify) <u>See notes page</u>			
	Gross Operating Revenue	\$ 2,419,528,000	\$ 2,665,365,000	
C.	Deductions from Gross Operating Revenue			
1.	Contractual Adjustments	\$ 2,082,110,000	\$ 2,309,654,000	96.5%
2.	Provision for Charity Care	35,523,000	39,405,000	1.6%
3.	Provisions for Bad Debt	39,993,000	44,364,000	1.9%
	Total Deductions	\$ 2,157,626,000	\$ 2,393,423,000	
	NET OPERATING REVENUE	\$ 261,902,000	\$ 271,942,000	101.8%
D.	Operating Expenses			
1.	Salaries and Wages			
a.	Clinical	\$ 95,905,000	\$ 98,802,000	101.0%
b.	Non-Clinical			
2.	Physicians Salaries and Wages			
3.	Supplies	43,291,000	\$ 44,599,000	101.0%
4.	Rent			
c.	Paid to Affiliates			
d.	Paid to Non-Affiliates	1,725,000	\$ 1,760,000	100.0%
5.	Management Fees			
a.	Paid to Affiliates	16,496,000	\$ 17,128,000	
b.	Paid to Non-Affiliates			
6.	Other Operating Expenses <u>See notes page</u>	44,809,000	\$ 45,913,000	
	Total Operating Expenses	\$ 202,226,000	\$ 208,202,000	
E.	Earnings Before Interest, Taxes, and Depreciation	\$ 59,676,000	\$ 63,740,000	
F.	Non-Operating Expenses			
1.	Taxes	\$ 1,762,000	\$ 1,815,000	101.0%
2.	Depreciation	8,665,000	\$ 8,927,000	101.0%
3.	Interest	(5,724,000)	\$ (5,724,000)	100.0%
4.	Other Non-Operating Expenses			
	Total Non-Operating Expenses	\$ 4,703,000	\$ 5,018,000	
	NET INCOME (LOSS)	\$ 54,973,000	\$ 58,722,000	

Chart Continues Onto Next Page

NET INCOME (LOSS)	\$ <u>54,973,000</u>	\$ <u>58,722,000</u>
G. Other Deductions		
1. Annual Principal Debt Repayment	\$ <u> </u>	\$ <u> </u>
2. Annual Capital Expenditure	<u> </u>	<u> </u>
Total Other Deductions	\$ <u>0</u>	\$ <u>0</u>
NET BALANCE	\$ <u>54,973,000</u>	\$ <u>58,722,000</u>
DEPRECIATION	\$ <u> </u>	\$ <u> </u>
FREE CASH FLOW (Net Balance + Depreciation)	\$ <u>54,973,000</u>	\$ <u>58,722,000</u>

X TOTAL FACILITY

O PROJECT ONLY

PROJECTED DATA CHART -- OTHER EXPENSES

OTHER EXPENSES CATEGORIES

	Year 2020	Year 2021
1. Professional Services	\$ <u>8,310,000</u>	\$ <u>8,393,000</u>
2. Contract Services	<u>24,936,000</u>	\$ <u>25,689,000</u>
3. Repairs and Maintenance	<u>4,982,000</u>	\$ <u>5,132,000</u>
4. Utilities	<u>2,646,000</u>	\$ <u>2,726,000</u>
5. Insurance	<u>987,000</u>	\$ <u>997,000</u>
6. Interest income & sale of assets	<u>(37,000)</u>	\$ <u>(37,000)</u>
7. Legal and Accounting Services	<u>254,000</u>	\$ <u>257,000</u>
8. Marketing Expenses	<u>588,000</u>	\$ <u>593,000</u>
9. Postage	<u>271,000</u>	\$ <u>274,000</u>
10. Travel and Entertainment	<u>219,000</u>	\$ <u>221,000</u>
11. Dues and Subscriptions	<u>157,000</u>	\$ <u>158,000</u>
12. Education and Development	<u>527,000</u>	\$ <u>532,000</u>
13. Recruiting	<u>193,000</u>	\$ <u>195,000</u>
14. Licenses, permits and software	<u>776,000</u>	\$ <u>783,000</u>
15. <u> </u>	<u> </u>	<u> </u>
Total Other Expenses	\$ <u>44,809,000</u>	\$ <u>45,913,000</u>

O TOTAL FACILITY
X PROJECT ONLY

PROJECTED DATA CHART -- MEDICAL-SURGICAL DEPARTMENT/BEDS

Give information for the last three (3) years for which complete data are available for the facility or agency.
The fiscal year begins in January.

		Year 2020	Year 2021	
A.	Utilization Data	Admissions	9,135	9,317
	(Specify unit or measure)	Discharge Days	45,673	46,587
B.	Revenue from Services to Patients			
1.	Inpatient Services	\$ 1,011,381,000	\$ 1,114,151,000	
2.	Outpatient Services	99,758,000	109,894,000	
3.	Emergency Services	0	0	
4.	Other Operating Revenue	0	0	
	(Specify) <u>See notes page</u>			
	Gross Operating Revenue	\$ 1,111,139,000	\$ 1,224,045,000	
C.	Deductions from Gross Operating Revenue			
1.	Contractual Adjustments	\$ 943,563,000	\$ 1,047,579,000	96.5%
2.	Provision for Charity Care	16,098,000	17,873,000	1.6%
3.	Provisions for Bad Debt	18,124,000	20,122,000	1.9%
	Total Deductions	\$ 977,785,000	\$ 1,085,574,000	
	NET OPERATING REVENUE	\$ 133,354,000	\$ 138,471,000	101.8%
D.	Operating Expenses			
1.	Salaries and Wages	\$ 50,448,000	\$ 52,486,000	102.0%
	a. Clinical			
	b. Non-Clinical			
2.	Physicians Salaries and Wages			
3.	Supplies	26,085,000	\$ 26,874,000	101.0%
4.	Rent			
	c. Paid to Affiliates			
	d. Paid to Non-Affiliates	819,000	\$ 835,000	100.0%
5.	Management Fees			
	a. Paid to Affiliates	8,351,000	\$ 8,672,000	
	b. Paid to Non-Affiliates			
6.	Other Operating Expenses <u>See notes page</u>	22,953,000	\$ 23,816,000	
	Total Operating Expenses	\$ 108,656,000	\$ 112,683,000	
E.	Earnings Before Interest, Taxes, and Depreciation	\$ 24,698,000	\$ 25,788,000	
F.	Non-Operating Expenses			
1.	Taxes	\$ 897,000	\$ 924,000	101.0%
2.	Depreciation	4,409,000	\$ 4,542,000	101.0%
3.	Interest	(2,820,000)	\$ (2,820,000)	100.0%
4.	Other Non-Operating Expenses			
	Total Non-Operating Expenses	\$ 2,486,000	\$ 2,646,000	
	NET INCOME (LOSS)	\$ 22,212,000	\$ 23,142,000	

Chart Continues Onto Next Page

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NET INCOME (LOSS)	\$ 22,212,000	\$ 23,142,000
G. Other Deductions		
1. Annual Principal Debt Repayment	\$	\$
2. Annual Capital Expenditure		
Total Other Deductions	\$ 0	\$ 0
NET BALANCE	\$ 22,212,000	\$ 23,142,000
DEPRECIATION	\$	\$
FREE CASH FLOW (Net Balance + Depreciation)	\$ 22,212,000	\$ 23,142,000

☐ TOTAL FACILITY
☒ PROJECT ONLY

PROJECTED DATA CHART -- OTHER EXPENSES

OTHER EXPENSES CATEGORIES

	Year 2020	Year 2021
1. Contract Services	\$ 16,552,000	\$ 17,220,000
2. Pro Fee's	90,000	\$ 94,000
3. Other Exp	4,629,000	\$ 4,769,000
4. Insurance	563,000	\$ 580,000
5. Repairs/Maintenance	1,116,000	\$ 1,150,000
6. Utilities	3,000	\$ 3,000
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
Total Other Expenses	\$ 22,953,000	\$ 23,816,000

5.A. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.

	Project Previous Year 2014	Project Previous Year 2015	Project Year One 2020	Project Year Two 2021	% Change (2015-20) (5 yrs)
Avg Gross Charge (Gross Operating Revenue/Utilization Data)	\$80,020	\$83,672	\$121,635	\$131,378	57%
Avg Deduction from Revenue (Total Deductions/Utilization Data)	\$67,533	\$70,176	\$107,037	\$116,515	66%
Average Net Charge (Net Operating Revenue/Utilization Data)	\$12,487	\$13,496	\$14,598	\$14,862	10%

Note: Data not complete for current year 2016.

5.B. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

The project's most frequent charges for medical-surgical admissions are shown in response to the next question in the application.

The addition of the proposed beds will not affect any hospital charges or affect payor contracts at the individual patient level. Routine price increases are determined annually taking staff salary increase, supplier drug and implant cost increase and other operating expenses into consideration to determine facility charge increase. Medical-surgical units are now operating with a positive revenue margin, making it unnecessary to shift costs to other hospital services. The expanded department will continue to have a positive revenue margin.

5.C. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

For a comparison of charges to other facilities, please see Table B-Economic Feasibility-5.C (1) on the following page. The applicant does not have access to public comparative charge information between area hospitals, specific to medical-surgical beds. But according to the Joint Annual Reports for hospitals, in 2015 the service area hospitals' average gross charges for inpatients (excluding newborns) ranged from \$5,732 to \$37,148, with an average of \$11,109. The applicant's average charge that year was \$13,929.

Table B-Economic Feasibility-5.C (2) on the second following page shows the most frequent DRG's of Skyline's medical-surgical admissions, with their current Medicare reimbursement, and their projected Years One and Two average gross charges.

Table B-Economic Feasibility-5C: Comparative Charges for General Acute Care Hospitals in the Primary Service Area							
State ID	Facility Name	County	Total Gross Revenues*	Admissions	Days	Total Gross Revenues* Per IP Admission	Total Gross Revenues* Per IP Day
	Centennial Medical Center	Davidson	\$2,094,819,364	31,302	173,450	\$66,922.86	\$12,077.37
	Metro NV General Hospital	Davidson	\$96,287,059	3,735	16,797	\$25,779.67	\$5,732.40
	Saint Thomas Midtown Hospital	Davidson	\$878,587,510	23,026	103,909	\$38,156.32	\$8,455.36
	Saint Thomas West Hospital	Davidson	\$1,013,231,130	17,652	89,969	\$57,400.36	\$11,262.00
	Skyline Medical Center, Nashville (Main)	Davidson	\$897,896,963	12,002	64,461	\$74,812.28	\$13,929.31
	Southern Hills Medical Center	Davidson	\$255,805,081	4,854	22,487	\$52,699.85	\$11,375.69
	Summit Medical Center	Davidson	\$549,210,425	10,659	45,776	\$51,525.51	\$11,997.78
	The Center for Spinal Surgery	Davidson	\$81,687,581	1,617	2,199	\$50,517.98	\$37,147.60
	Vanderbilt Medical Center	Davidson	\$3,389,515,607	53,546	305,953	\$62,927.49	\$11,013.18
	Gateway Medical Center	Montgomery	\$434,407,942	9,651	35,191	\$45,011.70	\$12,344.29
	Northcrest Medical Center	Robertson	\$71,756,729	2,899	11,186	\$24,752.23	\$6,414.87
	Hendersonville Medical Center	Sumner	\$272,213,990	5,879	20,052	\$46,302.77	\$13,575.40
	Sumner Regional Medical Center	Sumner	\$292,852,560	8,079	36,470	\$36,248.61	\$8,029.96
	SERVICE AREA TOTALS		\$10,308,271,941	184,901	927,900	\$55,750.22	\$11,109.25

Source: 2015 Joint Annual Reports p. 18, total gross IP charges excluding newborns.

Note: Saint Thomas Hospital for Spinal Surgery did not report yet (7-11/14) and is excluded.

**Table Economic Feasibility-5.C(2): Skyline Medical Center MedicalSurgical Department
Most Frequent Admissions Diagnoses and Average Gross Charges
Current and Proposed**

CPT or DRG	Descriptor	Current Medicare Allowable	Average Gross Charge		
			Current Average	Year 1	Year 2
M/S					
871	Septi/Seps W/O Mv 96+hr W/MCC	\$ 10,858	\$80,779	\$87,241	\$94,221
65	IC hem or cereb inf w CC	\$ 6,647	\$57,578	\$62,184	\$67,159
470	Maj Joint Replacement	\$ 12,612	\$65,444	\$70,680	\$76,334
64	IC hem or cereb inf w MCC	\$ 10,775	\$98,098	\$105,946	\$114,422
690	Kidney/UTI W/O MCC	\$ 5,101	\$31,556	\$34,080	\$36,807
190	Ch obst pulm dis w MCC	\$ 7,259	\$44,701	\$48,277	\$52,139
872	Septi/Seps W/O Mv 96+hr W/O MCC	\$ 6,561	\$42,115	\$45,484	\$49,123
189	Pul edema/ resp failure	\$ 7,640	\$48,194	\$52,050	\$56,213
683	Renal failure w CC	\$ 5,925	\$36,818	\$39,763	\$42,945
603	Cellulitis W/O MCC	\$ 5,490	\$27,556	\$29,760	\$32,141

Source: Hospital Management

6.A. Discuss how projected utilization rates will be sufficient to support the financial performance. Indicate when the project's financial breakeven is expected and demonstrate the availability of sufficient cash flow until financial viability is achieved.

The Projected Data Chart and charge information in the application demonstrate that the medical-surgical beds of this hospital will be cost-effective, and will operate with a positive financial margin. Cash flow will be positive from the opening day of the project and payback will be realized within ten years.

Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project.

Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility. NOTE: Publicly held entities only need to reference their SEC filings.

See Attachment Section B-Economic Feasibility-6A.

6.B. Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).

Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:

	2 nd Yr Previous to Current Yr	1 st Yr Previous to Current Yr	Current Yr	Projected Yr 1	Projected Yr 2
Net Operating Margin Ratio	7.87%	16.51%	NA	16.66%	16.71%

6.C. Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business’s permanent (Long-term) financing mix. This ratio best measures a business’s true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt+Total Equity (Net assets)) x 100).

For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity’s audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.

The Capitalization Ratio is reflected below. Although the traditional Capitalization Ratio is negative, this does not accurately reflect the financial standing of HCA. This is because the 2006 merger and related transactions were accounted for as a “recapitalization” of HCA Inc. rather than a “sale”, and therefore the Company’s liabilities currently exceed its assets on its books. A more accurate depiction of the Company's financial standing is the Value of Equity calculation, also reflected below

HCA Capitalization Ratio:

Long Term Debt	31,225,000,000
Debt + Equity	(23,462,000,000)
	X 100
Traditional Capitalization Ratio	(133.09)

More accurate to use Fair Value of Equity (shares outstanding x market price)

Shares outstanding at 9/30/16	\$	376,140,814
Closing Market price 9/30/16	\$	75.63
Market Cap	\$	28,447,529,763
Debt + Equity (using Market Cap)		59,672,529,763
Alternative Capitalization Ratio		0.52

7. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Additionally, report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

TriStar Skyline Medical Center serves Medicare, Medicaid/TennCare, Charity, and Self-Pay patients in addition to commercially insured patients. The table immediately below shows the last full year's payor mix for the whole hospital; the table below that shows the projected payor mix for the medical-surgical Department that is being expanded in this project.

Applicant's Hospital Payor Mix, CY2015		
Payor Source	Projected Gross Operating Revenue	As a Percent of Total Revenue
Medicare/Medicare Managed Care	\$736,259,947	50.0%
TennCare/Medicaid	\$217,926,452	14.8%
Commercial/Other Managed Care	\$297,031,570	20.2%
Self-Pay	\$130,849,110	8.9%
Charity Care	\$24,214,438	1.6%
Other	\$65,308,483	4.4%
Total	\$1,471,590,000	100.0%

Applicant's Projected Medical-Surgical Payor Mix, Year 1 (CY2020)		
Payor Source	Projected Gross Operating Revenue	As a Percent of Total Revenue
Medicare/Medicare Managed Care	\$645,656,003	58.1%
TennCare/Medicaid	\$129,662,505	11.7%
Commercial/Other Managed Care	\$194,415,923	17.5%
Self-Pay	\$81,042,878	7.3%
Charity Care	\$18,162,388	1.6%
Other	\$42,199,155	3.8%
Total	\$1,111,138,852	100.0%

8. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTE) positions for these positions. Additionally, please identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources.

See Table B-Economic Feasibility-8 on the following page.

The applicant has been unable to locate current prevailing wage pattern information for these positions, on the Department of Labor and Workforce Development website. Current annual salary surveys by occupation and by region were formerly accessible; but the Department's website has been reorganized. Please advise if the HSDA has a link to the data for this question.

Table B-Economic Feasibility-8: Skyline Medical Center Bed Relocation (2016) Current and Projected Staffing of Medical-Surgical Department				
Position Classification	Existing FTEs (Yr 2015)	Projected FTEs (Yr 1)	Average Wage (Contractual Rate)	Areawide / Statewide Average Wage (not available)
A. Direct Patient Care Positions				
Director	4.01	5.00	\$57.83	
Clinical Coordinator	3.16	5.00	\$33.40	
RN	135.41	156.50	\$31.02	
Tech	36.90	45.30	\$14.98	
Unit Secretary	9.92	14.12	\$16.13	
Total Direct Patient Care Positions	189.40	225.92		
B. Non-Patient Care Positions				
Position 1				
Position 2				
etc				
etc				
Total Non-Patient Care Positions	0.00	0.00		
Total Employees (A + B)	189.40	225.92		
C. Contractual Staff				
Total Staff (A+B+C)	189.40	225.92		

Source: Applicant's management.

9. Describe all alternatives to this project that were considered and discuss the advantages and disadvantages of each alternative, including but not limited to:

A. Discuss the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.

One of the applicant's two objectives in this project (and in the three previous bed transfer projects) has been to reduce duplication of services between its main and satellite campuses--consolidating all medical-surgical and rehabilitation services on the main campus and dedicating the satellite campus to behavioral medicine. There is no acceptable alternative to that, other than the relocation being proposed. Simple delicensure of those beds at Madison is not acceptable due to the second project objective, described in the following paragraph.

The applicant's other objective is to meet steadily increasing demand for inpatient admissions on the main campus, in response to growing programs like neurology and neurosurgery, and in response to the hospital's opening a Level II trauma center in the northern sector of Davidson County. The best alternative to accomplish this is to shift beds the applicant already has under license, from a campus where they are not being used, to the campus where they are strongly needed.

B. Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.

In its last three bed transfer projects, the applicant has been able to avoid new construction. However, there is no more space in the hospital that can be renovated to accommodate the 31 beds being moved from the Madison campus. New construction is unavoidable. It will be accomplished by expanding the hospital's second floor, to optimize operational efficiencies in the Medical-Surgical Department that already has medical-surgical and critical care beds in operation on that floor.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as transfer agreements or contractual agreements for health services.

Following are the facilities that Skyline most frequently utilizes in its discharge planning:

Skilled Nursing--Creekside Health and Rehabilitation Center, Grace Healthcare of Whites Creek, Vanco Manor Nursing and Rehabilitation Center, Greenhills Health and Rehabilitation Center, West Meade Place, the Bridge at Highland, LifeCare Center of Old Hickory, and NHC of Hendersonville.

Hospice- Alive Hospice, Odyssey, Avalon, Asera Care

Home Health- Suncrest, Gentevia, and Amedysis Home Health Care of Middle TN, NHC Home Care, WillowBrook Home Care, CareSouth

Home Infusion- Walgreens, Amerita, Coram

DME- Medical Necessities, At Home Medical, Apria, Aerocare, Oxycare of TN

Skyline Medical Center is fully contracted with all available TennCare MCO's in the Middle Tennessee Region.

2. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact to consumers and existing providers in the service area. Discuss any instances of competition or duplication arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

2A. Positive Effects

The project will improve local patients' accessibility to medical-surgical beds at a major acute care and emergency care resource for communities and for travelers on the northeast to northwest sides of the greater Nashville urban area. A large physician community, delivering very high acuity services, has developed at Skyline to serve these areas between downtown Nashville and Kentucky. Skyline's medical-surgical beds are very highly utilized. When they are full, patients awaiting a room assignment are backed up in the ED or in surgical Recovery in holding status. Bottlenecks such as those stress hospital staff, frustrate patients in need of timely care, and lower the productivity of the medical staff. So the effects of this proposed 31-bed transfer to the main campus will be very beneficial to patient care.

2B. Negative Effects

The applicant has not identified negative effects of this final phase of its ongoing bed transfer program. The project will bring back into service 31 Davidson County beds that are licensed, but unstaffed at present. However, this is only a 0.7% (seven-tenths of one percent) change within the 4,468 licensed hospital beds that are inventoried in the service area (others of which may also be unstaffed). This re-activation of underutilized beds is therefore a truly negligible change in overall bed availability in the service area.

3.A Discuss the availability of an accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements and/or requirements of accrediting agencies such as the Joint Commission and the Commission on Accreditation of Rehabilitation Facilities.

TriStar anticipates no difficulties in recruiting the new caregiver staff needed to staff these proposed medical-surgical beds, and will continue to meet or exceed all staffing standards of the Licensing Board and the Joint Commission.

3B. Verify that the applicant has reviewed and understands all licensing and/or certification as required by the State of Tennessee and/or accrediting agencies such as the Joint Commission for medical/clinical staff. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

The applicant so verifies.

C. Discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

TriStar Skyline Medical Center is a clinical rotation site for numerous students in the health professions. The institutions with which Skyline has student affiliation agreements include the following:

Aquinas College
Argosy College
Austin Peay State University
Belmont University
Bethel College
Breckinridge
Columbia State Community College
Cumberland University
East TN State University
Emory University
Lipscomb University
Miller-Motte
Middle TN School of Anesthesia
Middle TN State University
Southeastern Institute

Fortis Institute
Nashville State Technical College
TN State University
Union University
University of TN at Memphis
Vanderbilt University
Volunteer State Community College
Western Kentucky

4. Identify the type of licensure and certification requirements applicable and verify that the applicant has reviewed and understands them. Discuss any additional requirements, if applicable. Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure:

Board for Licensing Health Care Facilities, Tennessee Department of Health

Certification Type (e.g. Medicare SNF, Medicare LTAC, etc.):

Medicare Certification from CMS

TennCare/Medicaid Certification from TDH

Accreditation (i.e. Joint Commission, CARF, etc.)

Joint Commission (Hospital; Comprehensive Stroke Center)

A. If an existing institution, describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility and accreditation designation.

The applicant is currently licensed in good standing by the Board for Licensing Health Care Facilities, certified for participation in Medicare and Medicaid/TennCare, and fully accredited by the Joint Commission. Please see Attachment A-3A(1), Detailed Project Description, for copies of the current facility license and accreditation.

B. For existing providers, please provide a copy of the most recent statement of deficiencies/plan of correction and document that all deficiencies/findings have been corrected, by providing a letter from the appropriate agency.

See Attachment Section B-Orderly Development-4B.

C. Document and explain inspections within the past three survey cycles which have resulted in any of the following state, federal, or accrediting body actions: suspension of admissions, civil monetary penalties, notice of 23- ore 90-day termination proceedings from Medicare or Medicaid/TennCare, revocation/denial of accreditation, or other similar actions.

(1) Discuss what measures the applicant has or will put in place to avoid similar findings in the future.

Not applicable. The applicant has incurred none of these disciplinary measures.

5. Respond to all of the following and for such occurrences, identify, explain, and provide documentation:

A. Has any of the following:

- (1) Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);**
- (2) Any entity in which any person(s) or entity with more than 5% ownership (direct of indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or**
- (3) Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%...**

B. Been subjected to any of the following:

- (1) Final Order or Judgment in a State licensure action;**
- (2) Criminal fines in cases involving a Federal or State health care offense;**
- (3) Civil monetary penalties in cases involving a Federal or State health care offense;**
- (4) Administrative monetary penalties in cases involving a Federal or State health care offense;**
- (5) Agreement to pay civil or monetary penalties to the Federal government or any State in cases involving claims related to the provision of health care items and services; and/or**
- (6) Suspension or termination of participation in Medicare or Medicaid/TennCare programs;**
- (7) Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware;**
- (8) Is presently subject to a corporate integrity agreement.**

See Attachment Section B-Orderly Development-5A-5B.

6. Outstanding Projects:

- a. Complete the following chart by entering information for each applicable outstanding CON by applicant or share common ownership; and
- b. Provide a brief description of the current progress, and status of each applicable outstanding CON.

Outstanding Projects					
			Annual Progress Report*		
CON Number	Project Name	Date Approved	Due Date	Date Filed	Expiration Date
CN 1505-020	TriStar Summit Medical Center--Add net 4 beds	8/26/15	10/16	11/16	9/26/18
Status: completed 11/15/16 and final report will be submitted					
CN 1508-031	TriStar Summit Medical Center ED at Mt Juliet	11/18/15	11/16	11/16	12/1/17
Status: not yet under construction					

* Annual Progress Reports – HSDA Rules require that an Annual Progress Report (APR) be submitted each year. The APR is due annually until the Final Project Report (FPR) is submitted (FPR is due within 90 ninety days of the completion and/or implementation of the project). Brief progress status updates are requested as needed. The project remains outstanding until the FPR is received.

7. Equipment Registry -- For the applicant and all entities in common ownership with the applicant.

a. Do you own, lease, operate, and/or contract with a mobile vendor for a Computed Tomography Scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET)?

Yes.

b. If yes, have you submitted their registration to HSDA? If you have, what was the date of the submission?

Yes. See following page.

c. If yes, have you submitted their utilization to HSDA? If you have, what was the date of the submission?

Yes. See following page.

QUALITY MEASURES

Please verify that the applicant will report annually using forms prescribed by the Agency, concerning continued need and appropriate quality measures as determined by the Agency pertaining to the Certificate of Need, if approved.

The applicant will file all such reports required by CON statutes and rules.

Health Care Providers Owned by HCA - Dates Utilizations Received for 2015 Utilizations

County	Provider Type	Provider	Date Received
Cheatham	HOSP	TriStar Ashland City Medical Center	3/31/16
Davidson	HOSP	TriStar Centennial Medical Center	3/28/16
Davidson	H-Imaging	TriStar Imaging Center	Included with TriStar Southern Hills Medical Center
Davidson	HOSP	TriStar Skyline Medical Center	3/25/16
Davidson	HOSP	TriStar Southern Hills Medical Center	3/28/16
Davidson	HOSP	TriStar Summit Medical Center	3/18/16
Davidson	HODC	TriStar Summit Medical Center - ODC	3/18/16
Dickson	HODC	Natchez Imaging Center	6/24/16
Dickson	HOSP	TriStar Horizon Medical Center	6/24/16
Dickson	HOSP	TriStar Horizon Medical Center Satellite Emergency Department	6/24/16
Hamilton	PO	HCAPS - Diagnostic Center	5/6/16
Hamilton	HOSP	Parkridge East Hospital	3/28/16
Hamilton	HOSP	Parkridge Medical Center	3/28/16
Marion	HOSP	Parkridge West Hospital	3/28/16
Maury	HOSP	TriStar Centennial Med. Ctr. Emergency Dept. Spring Hill	Included with TriStar Centennial Medical Center
Rutherford	HOSP	TriStar Stonecrest Medical Center	3/31/16
Sumner	HODC	Outpatient Imaging Center at Hendersonville Medical Center	3/21/16
Sumner	H-Imaging	Portland Diagnostic Center	3/21/16
Sumner	HOSP	TriStar Hendersonville Medical Center	3/18/16
Wilson	H-Imaging	TriStar Summit Imaging at Lebanon	3/18/16
Wilson	H-Imaging	TriStar Summit Imaging at Mt. Juliet	3/18/16

Medical Equipment Registry - 7/29/2016

SECTION C: STATE HEALTH PLAN QUESTIONS

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at <http://www.tn.gov/health/topic/health-planning>). The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The 5 Principles for Achieving Better Health are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan.

1. The purpose of the State Health Plan is to improve the health of the people of Tennessee.

The project will enable the applicant to meet the demand for inpatient services at its main campus, which is increasing rapidly due to its neurosciences program and its new role as a Level II Trauma Center (one of only two trauma centers in Nashville).

2. People in Tennessee should have access to health care and the conditions to achieve optimal health.

The beds being transferred to the main campus are licensed, but are not currently staffed for medical-surgical care, so they are not accessible to the service area population in need of those services. This project will move the beds to an active location where they will be appropriately staffed and accessible to area patients.

3. Health resources in Tennessee, including health care, should be developed to address the health of people in Tennessee while encouraging economic efficiencies.

The expansion of TriStar Skyline Medical Center is needed to meet steady increases in admission requests for medical-surgical care at that location in north Davidson County. It is more efficient to operate these 31 beds for that purpose at the main campus, than it would be to staff and re-open them at the satellite campus, which no longer has support services required for medical-surgical acute care.

4. People in Tennessee should have confidence that the quality of health care is continually monitored and standards are adhered to by providers.

The applicant is licensed by the State of Tennessee and fully accredited by the Joint Commission. It has robust programs of quality improvement and has received numerous recognitions from national organizations for the high quality of its services.

5. The state should support the development, recruitment, and retention of a sufficient and quality health workforce.

The project will attract new nurses and support staff to the service area.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent.

NOTIFICATION REQUIREMENTS

(Applies only to Nonresidential Substitution-Based Treatment Centers for Opiate Addiction)

Note that T.C.A. §68-11-1607(c)(3) states that "...Within ten (10) days of filing an application for a nonresidential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the member(s) of the House of Representatives and the Senator of the General Assembly representing the district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant."

Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

Please provide documentation of these notifications.

See Attachment "Proof of Publication".

DEVELOPMENT SCHEDULE

T.C.A. §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

- 1. Complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**

Please see the schedule on the following page.

- 2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the “good cause” for such an extension.**

If approved in early 2017, the project will be open by late 2019. That is within the standard three-year period of validity for a Certificate of Need. No extended period of validity is requested.

PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1. below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Initial HSDA Decision Date	0	3/17
1. Architectural & engineering contract signed	60	5/17
2. Construction documents approved by TDH	180	9/17
3. Construction contract signed	300	1/18
4. Building permit secured	330	2/18
5. Site preparation completed	NA	NA
6. Building construction commenced	360	3/18
7. Construction 40% complete	540	9/18
8. Construction 80% complete	720	3/19
9. Construction 100% complete	780	5/19
10. * Issuance of license	810	6/19
11. *Initiation of service	840	7/19
12. Final architectural certification of payment	1020	10/19
13. Final Project Report Form (HF0055)	1110	1/20

*** For projects that DO NOT involve construction or renovation: please complete items 11-12 only.**

<p>Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.</p>

DEC 12 '16 PM 3:54

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

JOHN WELLBORN, being first duly sworn, says that he is the lawful agent of the applicant named in this application, that this project will be completed in accordance with the application to the best of the agent's knowledge, that the agent has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete to the best of the agent's knowledge.

John Wellborn
SIGNATURE/TITLE
CONSULTANT

Sworn to and subscribed before me this 9th day of December, 2016 a Notary
(Month) (Year)

Public in and for the County/State of DAVIDSON



[Signature]
NOTARY PUBLIC

My commission expires July 2,, 2018
(Month/Day) (Year)

INDEX OF ATTACHMENTS

Section A

A-3A(1)	Detailed Project Description
A-4A	Legal Status and Ownership Structure of Applicant
A-6A	Site Control Documentation
A-6B(1)a-d	Plot Plan
A-6B(2)	Floor Plan

Section B

B-Need-3	Service Area Map
B-Economic Feasibility-1E	Documentation of Construction Cost Estimate
B-Economic Feasibility-2	Documentation of Funding/Financing Availability
B-Economic Feasibility-6A	Applicant's Financial Statements
B-Orderly Development-4B	Licensure and Accreditation Findings and Corrections
B-Orderly Development-5A&B	Descriptions of Sanctions Incurred

Other Attachments

Proof of Publication

Miscellaneous Information

1. TennCare Enrollment

A-3A(1)
Detailed Project Description

A-3A(1) Detailed Project Description

1. Project Scope

The project is the transfer of 31 unstaffed licensed medical/surgical and critical care beds from the applicant's satellite campus in Madison (Davidson County) to its main campus in north Davidson County, a distance of approximately 5 miles and 14 minutes' drive time. A map at the end of this attachment shows the proximity of the two campuses.

The bed relocation will require new construction to expand the main hospital's second floor out over what is currently Emergency Department parking and access. There are already step-down (med-surg) and critical care beds on the second floor, so the proposed expansion will fit efficiently into ongoing operations.

As shown on the floor plan in Attachment A-6B(2) below, the new construction will have space for 40 beds ultimately; but in this project only 31 will be licensed. The floor plan shows those as 31 numbered beds. The plan's 9 un-numbered bed spaces are for future licensure and expansion. All bed spaces in the project are private.

Once the 31 transferred beds are licensed to the main campus, 31 will be delicensed to the satellite campus, so the applicant's 385-bed consolidated license will remain unchanged. The table below shows the current, and proposed, location and assignment of the applicant's beds:

Bed Assignment	Current Licensed Beds			Proposed Licensed Beds		
	Main Campus	Madison Campus	Consolidated Licenses	Main Campus	Madison Campus	Consolidated Licenses
Medical/Surgical	147	27	174	178 (+31)*	0 (-27)	182
ICU/CCU	45	4	49	45	0 (-4)	45
Rehabilitation	41	0	41	41	0	41
Behavioral	0	121	121	0	121	121
Totals	233	152	385	264 (+31)	121 (-31)	385

2. Simultaneous Exempt Construction Projects

The 31-bed relocation requires CON approval. But it should be noted that this project will be constructed simultaneously with a larger main campus construction project, whose components are exempt from CON review. Those exempt components include the following:

a. The hospital's second floor will be expanded and completed for a future enlarged ICU/CCU and future additional medical-surgical beds. The expansion will allow for future development of a 20-bed ICU/CCU, composed of 15 new ICU/CCU beds plus 5 existing ICU/CCU beds relocated from the first floor. The completion will include licensure of 9 more medical-surgical beds adjoining the 31 licensed beds being relocated to the main campus under this CON application.

b. The Emergency Department will be expanded by new construction on the second floor, to improve low-acuity (e.g. fast track) care, to separate walk-in and ambulance entrances, and to provide other efficiencies.

c. A shelled-in third floor will be added, for future bed expansion.

3. Square Footage of the Bed Transfer Project

Summary of Construction	
	Square Feet
Areas of New Construction	
Second floor Med-Surg Area	49,140 SF
circulation, walls, mechanical penthouse	8,855 SF
Subtotal, New Construction	51,372 SF
Area of Renovation	0 SF
Total Area of Construction	51,372 SF

Source: Project architect.

4. Project Cost and Funding

Construction Costs of This Project			
	Renovated Construction	New Construction	Total Project
Square Feet	0	51,372 SF	51,372 SF
Construction Cost	0	\$22,800,000	\$22,800,000
Constr. Cost PSF	0	\$443.82	\$443.82

The project cost includes inflation between now and the construction period. The PSF cost is higher than the 3rd quartile of average costs recorded by the HSDA Registry; but HSDA data is based on averages of 2013-15, which is five years before the midpoint of this construction project. This is a time period when construction costs for healthcare projects are increasing. The applicant's parent company is already experiencing some construction bids exceeding \$400 PSF.

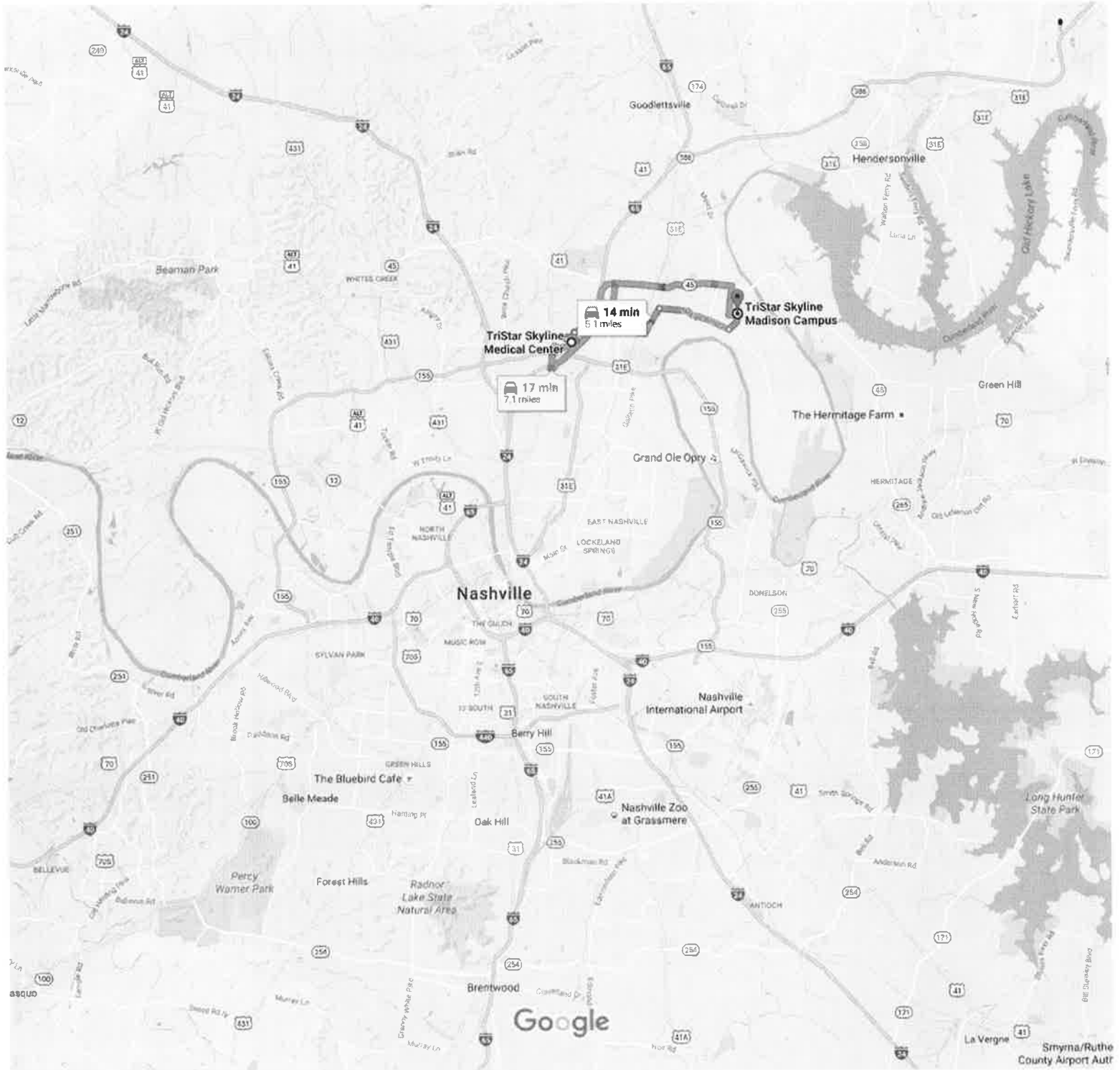
HSDA-Approved Projects: Hospital Construction Cost PSF Years 2013-2015			
	Renovated Construction	New Construction	Total Construction
1 st Quartile	\$160.66/sq ft	\$244.85/sq ft	\$196.62/sq ft
Median	\$223.91/sq ft	\$308.43/sq ft	\$249.67/sq ft
3 rd Quartile	\$297.82/sq ft	\$374.32/sq ft	\$330.50/sq ft

Source: CON approved applications for years 2011 through 2015

All project costs will be funded by the applicant's parent company, HCA Holdings, Inc. Funding will be provided as cash grants made through the applicant's division office for this region, TriStar Health System.

5. Hours of Operation and Implementation Schedule

This being an acute care bed project, it will be available for patient care 24/7/365. It is projected to open in late CY2019, with CY2020 being its first full year of operation.



Map data ©2016 Google 2 mi

 via Neelys Bend Rd 14 min
13 min without traffic 5.1 miles

 via TN-45 E 16 min

A-4A

**Legal Status and Ownership Structure
of Applicant**

Secretary of State
Corporations Section
as K. Polk Building, Suite 1800
Nashville, Tennessee 37243-0306

DATE: 12/06/93
REQUEST NUMBER: 2762-1907
TELEPHONE CONTACT: (615) 741-0537
FILE DATE/TIME: 12/06/93 0916
EFFECTIVE DATE/TIME: 12/06/93 0916
CONTROL NUMBER: 0273093

TO:
HEALTH TRUST INC.
JULIA TROTTER
525 NARDING ROAD
NASHVILLE, TN 37205

BOOK 9358 PAGE 811

RE:
HTI MEMORIAL HOSPITAL CORPORATION
CHARTER - FOR PROFIT

CONGRATULATIONS UPON THE INCORPORATION OF THE ABOVE ENTITY IN THE STATE OF TENNESSEE, WHICH IS EFFECTIVE AS INDICATED.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE CORPORATION'S FISCAL YEAR. ONCE THE FISCAL YEAR HAS BEEN ESTABLISHED, PLEASE PROVIDE THIS OFFICE WITH THE WRITTEN NOTIFICATION. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE DISSOLUTION.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE. PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE FILED IN THE OFFICE OF THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A CORPORATION HAS ITS PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

MAIL ENV.

94 MAY 27 AM 10:01
FELIX Z. WILLSON II REGISTER
DAVIDSON COUNTY, TN.

54764
IDENTIF. & REFERENCE

FOR: CHARTER - FOR PROFIT

ON DATE: 11/30/93

FROM:
HEALTHTRUST INC (PO BOX 24350)
PO BOX 24350

NASHVILLE, TN 37202-0000

RECEIVED: FEE \$50.00 TAX \$50.00

TOTAL PAYMENT: \$100.00

RECEIPT NUMBER: 00001574747
ACCOUNT NUMBER: 00002223

1187 05/27 0101 03CHECK

5.00



Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE

FILED

ARTICLES OF INCORPORATION OF
HTI MEMORIAL HOSPITAL CORPORATION

1993 DEC -6 AM 9:16 BOOK 9358 PAGE 812

FILED
SECRETARY OF STATE
I

The name of this Corporation is HTI Memorial Hospital Corporation.

II.

The principal office of the Corporation in the State of Tennessee is: 4525 Harding Road, Nashville, Tennessee 37205.

III

The period of duration shall be perpetual.

VI

The address of the registered office of the Corporation in the State of Tennessee is 530 Gay Street, in the City of Knoxville, County of Knox. The name of its registered agent at that address is CT Corporation System.

V

The purpose of the Corporation is to engage in any lawful act or activity for which a Corporation may be organized under the Tennessee Business Corporation Act.

VI

The Corporation has authority to issue One Thousand (1,000) shares of Common Capital Stock. The par value of such shares is One Dollar (\$1.00) per share. All shares shall be of one class.

VII

Shareholders shall not have preemptive rights.

VIII

The name and mailing address of the sole incorporator of the Corporation is: Philip D. Wheeler, 4525 Harding Road, Nashville, Tennessee 37205.

Dated: December 3, 1993.

Philip D. Wheeler
Philip D. Wheeler
Incorporator

Board for Licensing Health Care Facilities



State of Tennessee

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

to conduct and maintain a

HTI MEMORIAL HOSPITAL CORPORATION

Hospital

TRISTAR SKYLINE MEDICAL CENTER

Located at

3441 DICKERSON PIKE, NASHVILLE

County of

DAVIDSON

, Tennessee.

This license shall expire JULY 01, 2017, *and is subject*

to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.

In Witness Whereof, we have hereunto set our hand and seal of the State this 16TH *day of* MAY, 2016.

In the Distinct Category(ies) of:

GENERAL HOSPITAL
PEDIATRIC PRIMARY HOSPITAL
TRAUMA CENTER LEVEL 2



By James J. Davis, MPH
DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By James J. Davis, MPH
COMMISSIONER

0000000023

No. of Beds 0385

TriStar Skyline Medical Center

Nashville, TN

has been Accredited by



The Joint Commission


Which has surveyed this organization and found it to meet the requirements for the
Hospital Accreditation Program

August 13, 2016

Accreditation is customarily valid for up to 36 months.


Craig W. Jones, FACHE
Chair, Board of Commissioners

ID #7887
Print/Reprint Date: 10/26/2016


Mark R. Chassin, MD, FACP, MPP, MPH
President

The Joint Commission is an independent, not-for-profit national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.





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DEC 12 '16 PM 3:55

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Search: 1-1 of 1

Search Name:

Control #:

Active Entities Only: ☐

Control #	Entity Type	Name	Name Type	Name Status	Entity Filing Date	Entity Status
<u>000273093</u>	CORP	HTI MEMORIAL HOSPITAL CORPORATION TENNESSEE	Entity	Active	12/06/1993	Active

1-1 of 1

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Search: 1-2 of 2

Search Name:

Control #:

Active Entities Only:

Control #	Entity Type	Name	Name Type	Name Status	Entity Filing Date	Entity Status
000191308	CORP	HEALTHTRUST, INC. - THE HOSPITAL COMPANY TENNESSEE	Entity	Active	07/09/1987	Active
000191382	CORP	HEALTHTRUST, INC. - THE HOSPITAL COMPANY DELAWARE	Entity	Active	07/13/1987	Active

1-2 of 2

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Search: 1-2 of 2

Search Name:

Control #:

Active Entities Only:

Control #	Entity Type	Name	Name Type	Name Status	Entity Filing Date	Entity Status
<u>000280381</u>	CORP	HCA INC. DELAWARE	Entity	Active	06/14/1994	Active
<u>000168485</u>	CORP	HCA, INC. TENNESSEE	Entity	Inactive - Name Changed	02/20/1986	Active

1-2 of 2

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Motor Vehicle Temporary Liens (615) 741-0529 | TNSOS.MVTL@tn.gov
Notary Commissions (615) 741-3699 | TNSOS.ATS@tn.gov
Uniform Commercial Code (UCC) (615) 741-3276 | TNSOS.UCC@tn.gov
Workers' Compensation Exemption Registrations (615) 741-0526 | TNSOS.WCER@tn.gov
Apostilles & Authentications (615) 741-0536 | TNSOS.ATS@tn.gov
Summons (615) 741-1799 | TNSOS.ATS@tn.gov
Trademarks (615) 741-0531 | TNSOS.ATS@tn.gov
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Our mission is to exceed the expectations of our customers, the taxpayers, by operating at the highest levels of accuracy, cost-effectiveness, and accountability in a customer-centered environment.

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Secretary of
State

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Business Services Online > Find and Update a Business Record

Business Information Search

As of August 13, 2016 we have processed all corporate filings received in our office through August 12, 2016 and all annual reports received in our office through August 12, 2016.

Click on the underlined control number of the entity in the search results list to proceed to the detail page. From the detail page you can verify the entity displayed is correct (review addresses and business details) and select from the available entity actions - file an annual report, obtain a certificate of existence, file an amendment, etc.

Search: 1-1 of 1

Search Name: ☒ Starts With ☐ Contains

Control #:

Active Entities Only: ☐

Control #	Entity Type	Name	Name Type	Name Status	Entity Filing Date	Entity Status
<u>000645183</u>	CORP	HCA Holdings, Inc. DELAWARE	Entity	Active	11/24/2010	Active

1-1 of 1

Information about individual business entities can be queried, viewed and printed using this search tool for free.

If you want to get an electronic file of all business entities in the database, the full database can be downloaded for a fee by [Clicking Here](#).

[Click Here](#) for information on the Business Services Online Search logic.

Division of Business Services
312 Rosa L. Parks Avenue, Snodgrass Tower, 6th
Floor
Nashville, TN 37243
615-741-2286
8:00 a.m. until 4:30 p.m. (Central) Monday-Friday.
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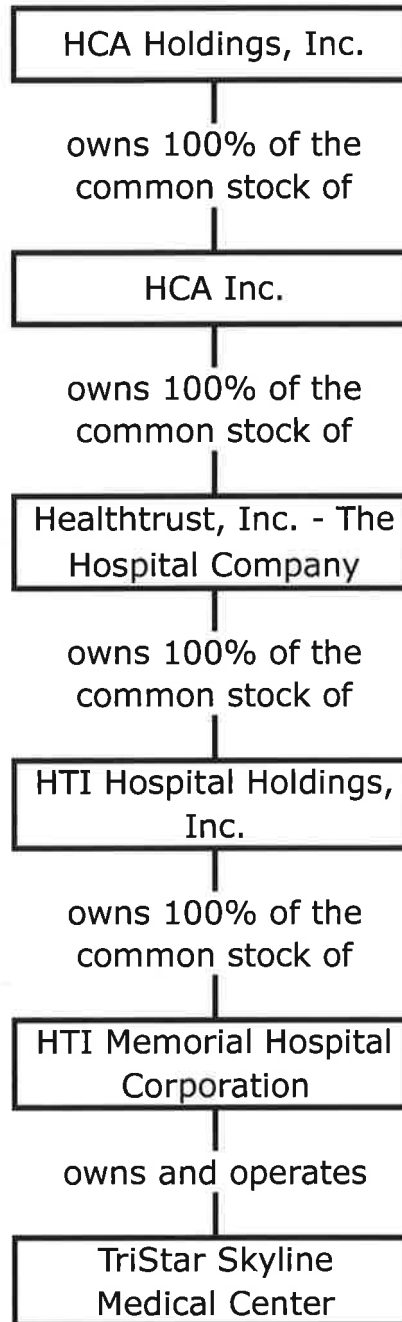
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TRISTAR SKYLINE MEDICAL CENTER



**HCA FACILITIES IN TENNESSEE
2016**

HOSPITALS AND HOSPITAL AFFILIATES

TriStar Ashland City Medical Center
313 North Main Street
Ashland City, TN 37015
615-792-3030

TriStar Centennial Medical Center
2300 Patterson Street
Nashville, TN 37203
615-342-1040

Parthenon Pavilion
2401 Parman Place

Sarah Cannon Cancer Center
250 25th Ave. North

Sarah Cannon Research Institute
3522 West End Avenue

The Children's Hospital at TriStar Centennial Medical Center
222 Murphy Avenue

TriStar Centennial Emergency Room at Spring Hill
3001 Reserve Blvd.
Spring Hill, TN 37174

TriStar Hendersonville Medical Center
355 New Shackle Island Road
Hendersonville, TN 37075
615-338-1102

TriStar Portland Emergency Room
105 Redbud Drive
Portland, TN 37148

TriStar Horizon Medical Center
111 Highway 70 East
Dickson, TN 37055
615-441-2357

Natchez Imaging
101 Natchez Park Drive

Radiation Oncology @ SCCC
105 Natchez Park Drive

Tennessee Oncology@ SCCC
103 Natchez Park Drive

TriStar Parkridge Medical Center
2333 McCallie Avenue
Chattanooga, TN 37404
423-493-1772

TriStar Parkridge East Hospital
941 Spring Creek Road
Chattanooga, TN 37412
423-855-3500

TriStar Parkridge West Medical Center
1000 Tn Highway 28
Jasper, TN 37247

TriStar Parkridge Valley Hospital
200 Morris Hill Road
Chattanooga, TN 37421
423-499-1204

TriStar Skyline Medical Center
3441 Dickerson Pike
Nashville, TN 37207
615-769-7114

TriStar Skyline Madison Campus
500 Hospital Drive
Madison, TN 37115
615-860-6301

TriStar Southern Hills Medical Center
391 Wallace Road
Nashville, TN 37211
615-781-4000

TriStar StoneCrest Medical Center
200 StoneCrest Blvd.
Smyrna, TN 37167
615-768-2508

TriStar Summit Medical Center
5655 Frist Blvd.
Hermitage, TN 37076
615-316-4902

OTHER FACILITIES

TriStar Centennial Surgery Center
345 23rd Avenue North, Suite 201
Nashville, TN 37203
615-327-1123

Premier Orthopedics Surgery Center
394 Harding Place
Suite 100
Nashville, TN 37211
615-332-3600

Surgery Center of Chattanooga
400 North Holtzclaw Avenue
Chattanooga, TN 37404
423-698-6871

TriStar Summit Surgery Center
3901 Central Pike
Suite 152
Hermitage, TN 37076
615-391-7200

A.6A

Site Control Documentation

FD 12
J.L.F.

QUITCLAIM DEED

Instr: 20000524005215d Page: 1 OF 6
REC'D FOR REC 05/24/2000 4:00:01PM
RECORD FEE: \$26.00
M. TAX: \$0.00 L. TAX: \$0.00

Address New Owner as Follows:
The Health and Educational Facilities
Board of the Metropolitan
Government of Nashville and
Davidson County, Tennessee
c/o Stokes & Bartholomew, P.A.
Third National Financial Center
Suite 2800

Send Tax Bills To:

Map-Parcel No.
Map 50; Parcels
77 and 79
Map 51; Parcel 22

Nashville, Tennessee 37219

This instrument prepared by: WALLER LANSDEN DORTCH & DAVIS, A Professional Limited
Liability Company, 511 Union Street, Suite 2100, Nashville, Tennessee 37219-1760

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

The recording of this instrument is exempt from Tennessee recording tax pursuant
to T.C.A. § 67-4-409(f).

Stephen S. Meyer
Chairman, The Health and Educational
Facilities Board of The Metropolitan Government
of Nashville and Davidson County
Affiant

Subscribed and sworn to before me, this 23rd day of May, 2000.

Nancy Sheppard
NOTARY PUBLIC
DAVIDSON COUNTY, TENN.
SHEPPARD
PUBLIC
LARGE

My Commission Expires: 1-25-2003

FOR AND IN CONSIDERATION of Ten Dollars (\$10.00), and other good and
valuable consideration, HTI Memorial Hospital Corporation, a Tennessee corporation, The Health
and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson
County, Tennessee, a public not-for-profit corporation ("Grantor"), by its presents, does hereby
quitclaim and convey unto The Health and Educational Facilities Board of the Metropolitan
Government of Nashville and Davidson County, Tennessee, a public not-for-profit corporation,
("Grantee"), its successors and assigns, all of its right, title and interest, in and to the following
described land in Davidson County, Tennessee:

TRACT NO. I:

A tract of land in the Fourth Councilmanic District, Metropolitan Nashville, Davidson County,
Tennessee, being Parcel 77 on Tax Map 50 and being more particularly described as follows:

Beginning at an existing iron pin at the intersection of the easterly right-of-way line of Dickerson
Pike, U.S. 41-31-W, and the northerly right-of-way line of Briley Parkway, S.R. 155; thence,

1. With the easterly right-of-way line of Dickerson Pike, N 14° 00' 02" E, 200.02 feet to an
540842.1

existing iron pin, corner of Parcel 79 Tax Map 50; thence,

2. With Parcel 79, S 82° 17' 33" E, 199.95 feet to an existing iron pin; thence,
3. S 14° 16' 08" W, 200.03 feet to an existing iron pin on the northerly right-of-way line of Briley Parkway; thence,
4. With the northerly right-of-way line of Briley Parkway, N 82° 19' 04" W, 199.02 feet to the point of beginning and containing 39,650 square feet or 0.910 acres.

TRACT NO. II:

A tract of land in the Fourth Councilmanic District of Metropolitan Nashville, Davidson County, Tennessee, lying to the east of Dickerson Pike (U.S. Highway 31-W, U.S. Highway 41 and State Route 11), north of Briley Parkway (State Route 155), west of Interstate Highway 65, and south of Old Due West Avenue and being more particularly described as follows:

Beginning at an existing iron pin on the easterly right-of-way margin of Dickerson Pike, a 115-foot right-of-way at the common westerly property corner between a tract of land deeded to HCA Health Services of Tennessee, Inc. as of record in Book 10750, Page 479 R.O.D.C., Tennessee and a tract of land deeded to Nashville/Music City Land Fund, L.P. as of record in Book 7356, Page 156 R.O.D.C., Tennessee; thence,

1. Northeastwardly with said right-of-way line and non-tangent curve to the left having a radius of 2940.00 feet, for an arc distance of 667.55 feet to an existing iron pin in the southwesterly property line of Terry Denny, et al property, of record in Book 9963, Page 602, R.O.D.C., Tennessee; said curve has a chord bearing and distance of N 07° 8' 22" E, 666.12 feet; thence,
2. Leaving the easterly right-of-way margin of said Dickerson Pike with the southerly property lines of said Terry Denny property, S 84° 04' 05" E, 551.98 feet to an existing iron pin; thence,
3. N 06° 49' 41" E, 318.18 feet to an existing iron pin at the southwesterly property corner of Horace Brown Goodrich of record in Book 7454, Page 103, R.O.D.C., Tennessee; thence,
4. With said Goodrich property and the Goodrich property in Book 4235, Page 372, R.O.D.C., Tennessee, S 82° 20' 53" E, 670.48 feet to an existing iron pin; thence,
5. N 06° 34' 48" E, 622.16 feet to an existing iron pin at the southwesterly property corner of Battle Ground Academy property of record in Book 4563, Page 358, R.O.D.C., Tennessee; thence,
6. With the property lines of said Battle Ground Academy property, S 81° 16' 36" E, 603.35 feet to an existing iron pin; thence,
7. N 18° 19' 56" W, 546.60 feet to an existing iron pin; thence,

540842.1

8. N 20° 09' 52" E, 292.33 feet to an existing P.K. Nail in the centerline of Old Due West Avenue, a 50-foot right-of-way; thence,
9. Southeasterly, with the centerline of said Old Due West Avenue, a curve to the right with a radius of 108.28 feet, for an arc distance of 6.60 feet to an existing P.K. Nail; said curve has a chord bearing and distance of S 71° 52' 04" E, 6.60 feet; thence,
10. With a non-tangent line, S 70° 14' 20" E, 229.20 feet to an existing P.K. Nail; thence,
11. With a curve to the right having a radius of 276.25 feet, for an arc distance of 119.93 feet to an existing P.K. Nail; said curve has a chord bearing and distance of S 57° 48' 07" E, 118.99 feet; thence,
12. With a non-tangent line, S 45° 21' 54" E, 51.92 feet to an existing P.K. Nail; thence,
13. With a non-tangent curve to the left having a radius of 366.13 feet, for an arc distance of 12.11 feet to a P.K. Nail (set), said curve has a chord bearing and distance of S 46° 18' 44" E, 12.11 feet; thence,
14. Leaving said centerline, with a new line S 42° 44' 26" W, 25.00 feet to an iron pin (set) on the southerly margin of Old Due West Avenue; thence,
15. Leaving said margin, southeastwardly, with a 30.00 foot radius curve to the right having an arc distance of 28.30 feet to an iron pin (set). Said curve has a chord bearing and distance of S 20° 14' 07" E, 27.26 feet; thence,
16. S 06° 47' 21" W, 472.06 feet to an iron pin (set); thence,
17. With a 60.00 foot radius curve to the right, having an arc distance of 65.68 feet to an iron pin (set). Said curve has a chord bearing and distance of S 38° 08' 58" W, 62.45 feet; thence,
18. With a 60.00 foot radius curve to the left, having an arc distance of 159.93 feet to an iron pin (set). Said curve has a chord bearing and distance of S 06° 51' 02" E, 116.62 feet; thence,
19. S 83° 12' 39" E, 25.00 feet to an iron pin (set); thence,
20. S 06° 47' 21" W, 134.79 feet to an iron pin (set); thence,
21. S 83° 12' 39" E, 40.00 feet to an iron pin (set) in the westerly property line of a tract of land deeded to the Metropolitan Government of Nashville and Davidson County as of record in Deed Book 3702, Page 609 R.O.D.C., Tennessee; thence,
22. With said westerly property line, in part, S 06° 47' 21" W, 445.96 feet to an existing iron pin; thence,

23. With the southerly property line of the Metropolitan Government of Nashville and Davidson County tract, S 81° 27' 34" E, 456.14 feet to an iron pin (set) on the northerly right-of-way margin of Interstate Highway 65; thence,
24. With the northerly right-of-way margin of said Interstate Highway 65, S 47° 22' 44" W, passing an existing concrete highway monument at 2.43 feet, for a total distance of 471.08 feet to an iron pin set; thence,
25. S 80° 29' 53" W, 193.48 feet to an existing concrete highway monument; thence,
26. S 48° 45' 14" W, 139.33 feet to an existing iron pin; thence,
27. S 74° 13' 19" W, 362.39 feet to an existing iron pin; thence,
28. N 86° 06' 07" W, 194.53 feet to an existing concrete highway monument; thence
29. S 86° 04' 53" W, 251.10 feet to an existing concrete highway monument; thence,
30. S 82° 39' 14" W, 223.35 feet to an iron pin set; thence,
31. S 73° 13' 10" W, 290.25 feet to an existing concrete highway monument; thence,
32. S 55° 46' 15" W, 432.70 feet to an iron pin set; thence,
33. N 06° 08' 26" E, 17.20 feet to an existing concrete highway monument; thence,
34. N 82° 20' 52" W, 221.50 feet to an existing iron pipe at the southeasterly property corner of said HCA Health Services of Tennessee, Inc. property; thence,
35. With the easterly property line of the HCA Health Services of Tennessee, Inc. tract, N 14° 32' 00" E, 201.17 feet to an existing iron pin; thence,
36. With the northerly property line of the HCA Health Services of Tennessee, Inc. tract, N 82° 17' 48" W, 199.86 feet to the Point of Beginning and containing 2,487,041 square feet or 57.0946 acres, more or less as calculated by the above courses.

TRACT NOS. I and II being the same property conveyed to HTI Memorial Hospital Corporation, a Tennessee corporation, by deed from HCA Health Services of Tennessee, Inc., a Tennessee corporation, of record in Book 11610, page 681, said Register's Office.

TRACT NO. III:

A tract of land in the Fourth Councilmanic District of Metropolitan Nashville, Davidson County, Tennessee, being a portion of Parcel 22 as shown on Davidson County Property Map No. 51 and being more particularly described as follows:

BEGINNING at an iron pin (set) in the common property line between a tract of land deeded to Nashville/Music City Land Fund, L.P. as of record in Book 7356, page 156, said Register's Office,

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and a tract of land deeded to the Metropolitan Government of Nashville and Davidson County, Tennessee; as of record in Book 3702, page 609, said Register's Office, said iron pin being S 06° 47' 21" W, 818.57 feet from the south margin of Old Due West Avenue; thence,

1. Leaving said common line, with a new line, S 76° 43' 50" E, 104.05 feet to an iron pin (set); thence,
2. N 59° 48' 02" E, 128.47 feet to an iron pin (set); thence,
3. N 54° 44' 55" E, 88.43 feet to an iron pin (set); thence,
4. S 30° 45' 09" E, 169.04 feet to an iron pin (set); thence,
5. S 58° 48' 51" E, 55.72 feet to an iron pin (set); thence,
6. N 88° 26' 50" E, 40.79 feet to an iron pin (set); thence,
7. S 08° 32' 26" W, 371.39 feet to an iron pin (set) in the common property line between Nashville/Music City Land Fund, L.P. and the Metropolitan Government of Nashville and Davidson County; thence,
8. With said common line, N 81° 27' 34", 454.64 feet to an existing iron pin; thence,
9. N 06° 47' 21" E, 383.68 feet to POINT OF BEGINNING and containing 192,035 square feet or 4.4085 acres, more or less, as calculated by the above courses.

TRACT NO. III being the same property conveyed to HTI Memorial Hospital Corporation, a Tennessee corporation, by deed from The Metropolitan Government of Nashville and Davidson County, Tennessee, of record as Instrument No. 200002090013279, said Register's Office.

IN WITNESS WHEREOF, Grantor has executed this instrument on the 23rd day of May, 2000.

HTI MEMORIAL HOSPITAL
CORPORATION, a Tennessee corporation

BY: R. Mitta
TITLE: Vice President

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Before me, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared R. Milton Johnson, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself to be the Vice President of HTI Memorial Hospital Corporation, the within named bargainer, a Tennessee corporation, and that he as such Vice President being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Vice President

Witness my hand and seal, at office in Nashville, Tennessee, this the 22nd day of May, 2000.

Melinda S. Lampkin
NOTARY PUBLIC

My Commission Expires: July 27, 2002



A-6B(1)a-d

Plot Plan

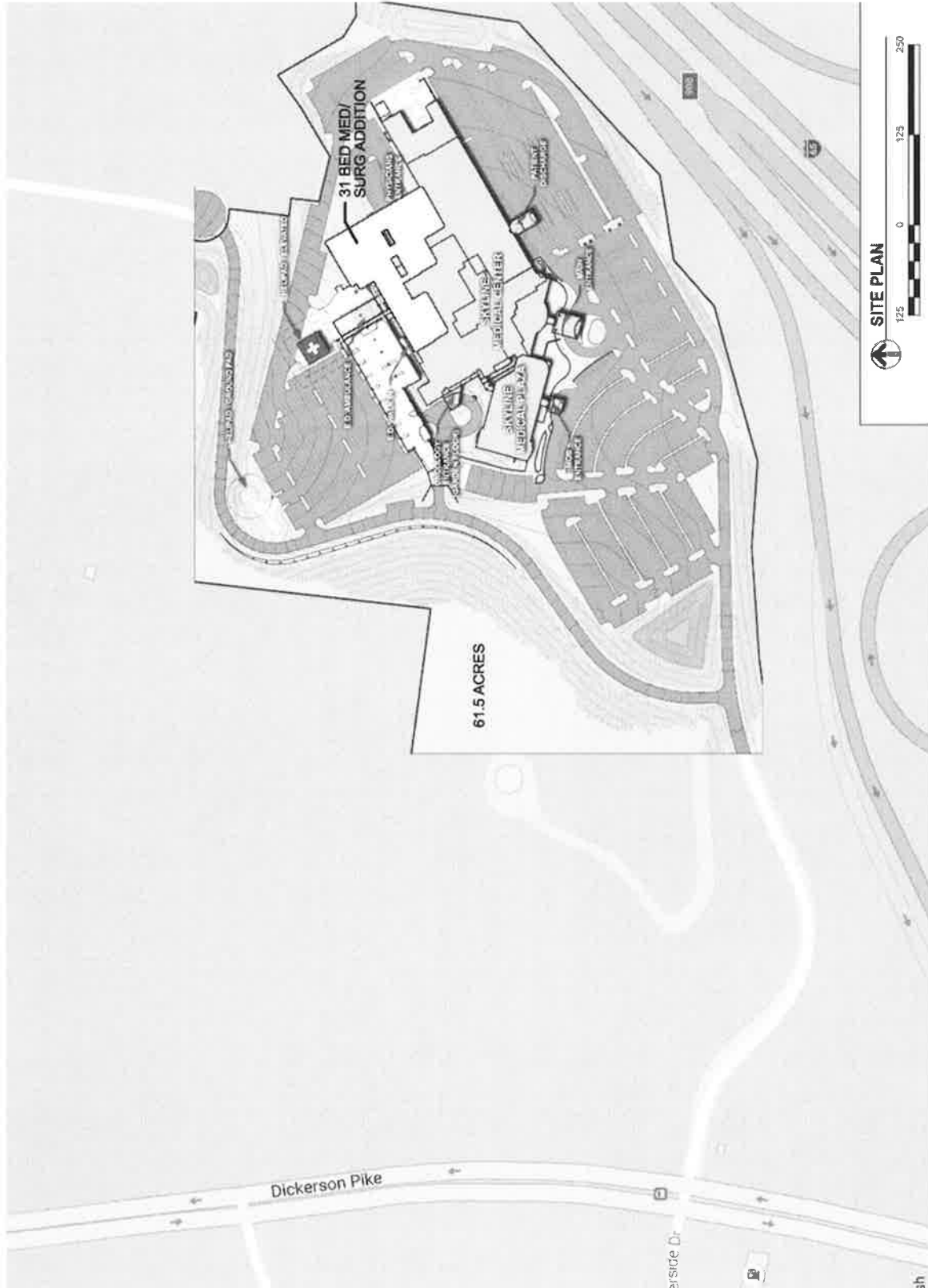
Site Plan



PROJECT No.
4077600

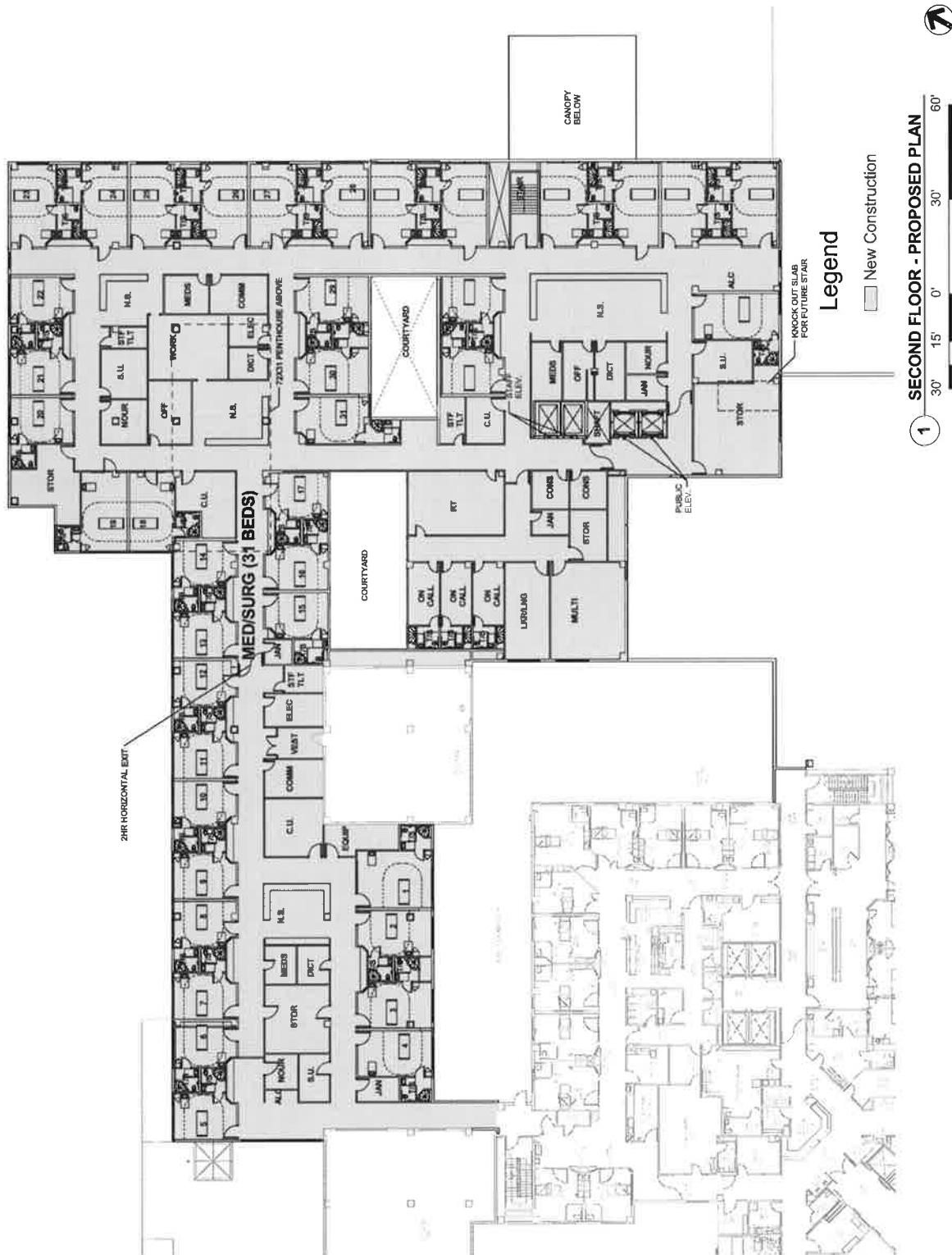
December 1, 2016

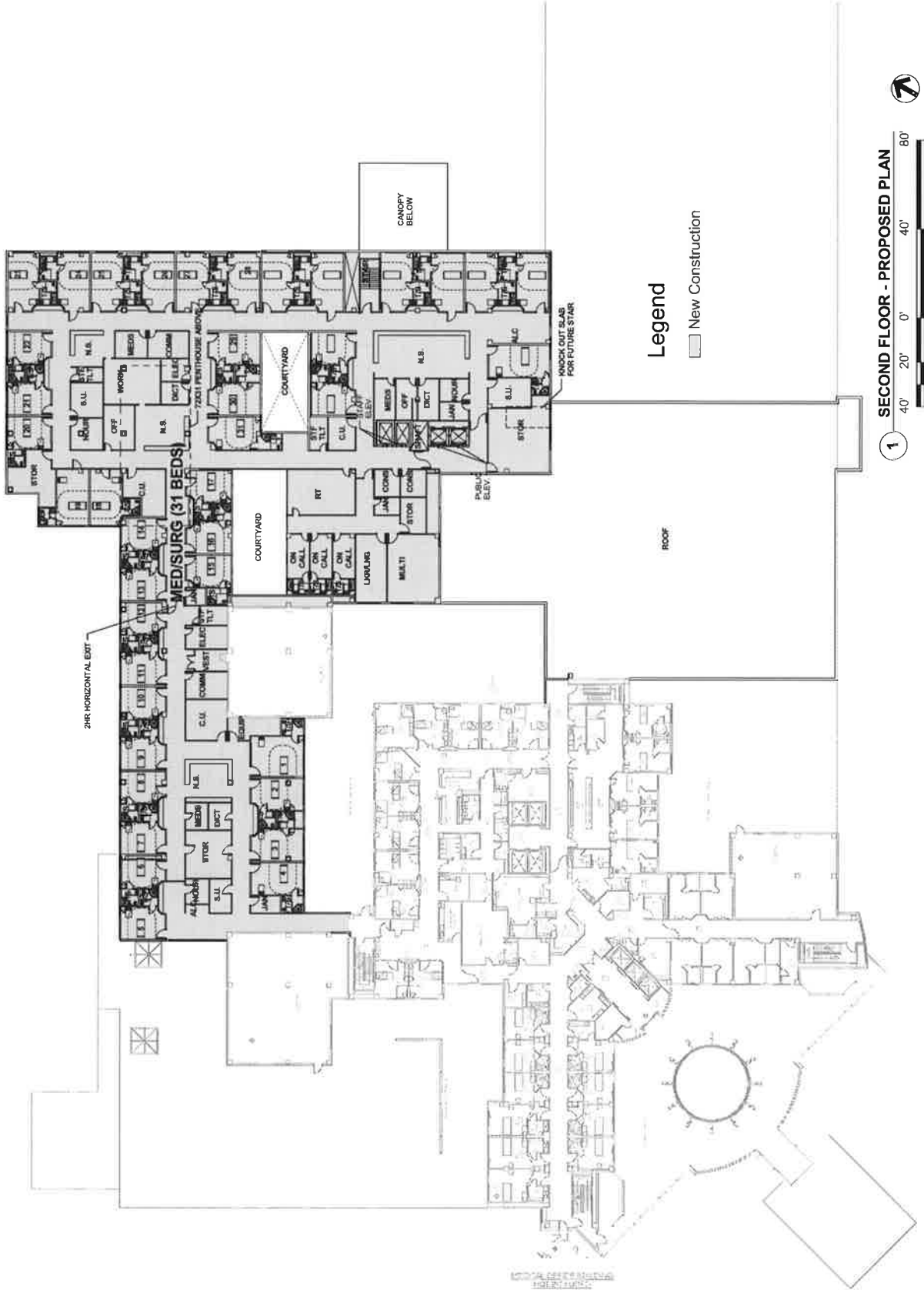
1 of 3



A-6B(2)

Floor Plans



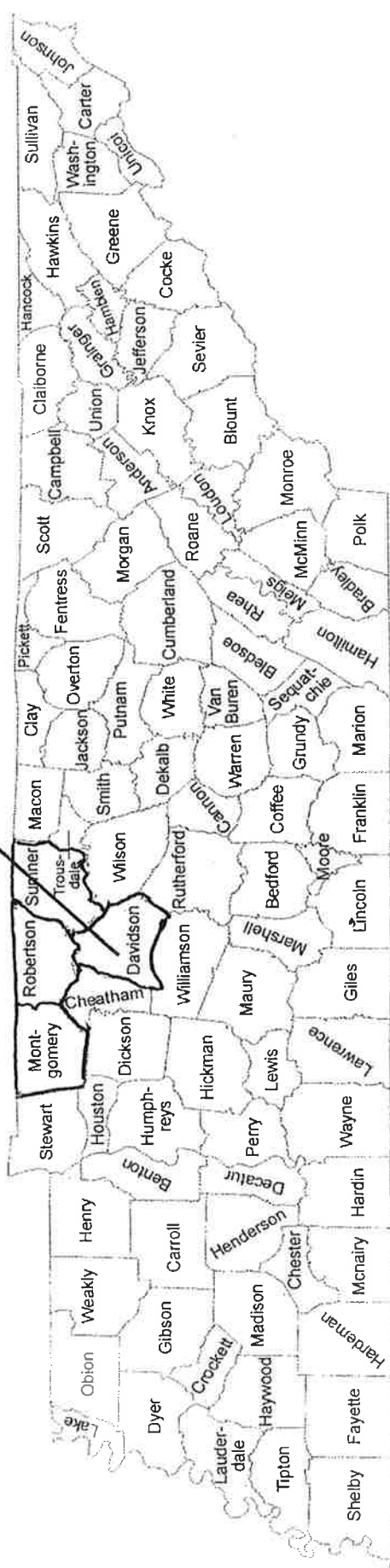


1 SECOND FLOOR - PROPOSED PLAN

B-Need-3

Service Area Map

A detailed map of Tennessee showing all 95 counties. The counties are labeled with their names. The map includes the state's borders with Virginia, Kentucky, Mississippi, Alabama, Georgia, and North Carolina. Major cities like Nashville, Memphis, and Knoxville are not explicitly labeled but are located within their respective counties. The Tennessee River and other major water bodies are shown. The map is oriented with North at the top.



B-Economic Feasibility-1E

Documentation of Construction Cost Estimate



G R E S H A M
S M I T H A N D
P A R T N E R S

December 1, 2016

Mr. Steve Otto
Chief Executive Officer
Skyline Medical Center
3441 Dickerson Pike
Nashville, TN 37207

Subject: Certificate of Need Application
Med / Surg Bed Expansion
Skyline Medical Center
 GS&P Project No. 40774.00 / 00.3

Dear Mr. Otto:

Please be advised that the construction budget for Skyline Medical Center's proposed Med/Surg Bed expansion project is anticipated to be approximately \$22,800,000. This total includes design, construction, site work, testing, A&E fees, and building fees. Due to the nature and complexity of this project, we agree that this construction cost is appropriate.

Please feel free to contact me if I can provide you with any additional information.

Sincerely,

Kenneth A. Priest, AIA, NCARB, LEED AP
Principal
Tennessee License No. 16010

bma

Design Services For The Built Environment

1400 Nashville City Center / 511 Union Street / Nashville, Tennessee 37219-1733 / Phone 615.770.8100 / www.greshamsmith.com

B-Economic Feasibility--2

Documentation of Funding/Financing Availability

December 7, 2016

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

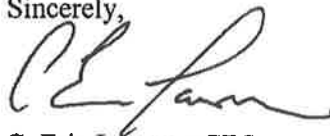
RE: TriStar Skyline Medical Center Bed Relocation
Davidson County

Dear Mrs. Hill:

TriStar Skyline Medical Center is applying for a Certificate of Need to relocate 31 of its existing licensed beds from its satellite campus in Madison to its main campus on I-65. This will require new construction on the hospital's second floor.

The estimated capital cost of the project is \$30,038,000. As Chief Financial Officer of TriStar Health, the HCA Division Office for Middle Tennessee, I am writing to confirm that HCA Holdings, Inc. will provide through TriStar Health all of the funding required to implement that project. HCA, Inc.'s financial statements are provided in the application.

Sincerely,



C. Eric Lawson, CFO
Tristar Health

B-Economic Feasibility-6A

Applicant's Financial Statements

EFF DATE: 12/31/15 FINS:FINSTM
 U06020
 C0 S0 B00 R00 D000 U06020 C0ID 34293
 01/11/16

FINANCIAL STATEMENT REPORTS
 SKYLINE MEDICAL CENTER
 FINANCIAL STATEMENT
 AS OF 12/31/15

BALANCE SHEET
 ASSETS

PAGE 1

CURRENT MONTH			YEAR TO DATE		
BEGIN	CHANGE	ENDING	ENDING	CHANGE	BEGIN
5,870	33,533-	27,663-	CURRENT ASSETS-		
			CASH & CASH EQUIVALENTS	27,663-	293,396
			MARKETABLE SECURITIES		321,059-
83,126,479	7,113,499-	76,012,980	PATIENT ACCOUNTS RECEIVABLES		
			PATIENT RECEIVABLES	76,012,980	4,401,156-
51,646,855-	6,572,944	45,073,911-	LESS ALLOW FOR GOVT RECEIVABLE		80,414,136
31,479,624	540,555-	30,939,069	LESS ALLOWS - BAD DEBT	45,073,911-	2,362,763
			NET PATIENT RECEIVABLES	30,939,069	2,038,393-
					32,977,462
244,908	572,664-	327,756-	FINAL SETTLEMENTS		
			DUE TO/FROM GOVT PROGRAMS	327,756-	771,864-
			ALLOWS DUE GOVT PROGRAMS		444,108
244,908	572,664-	327,756-	NET FINAL SETTLEMENTS	327,756-	771,864-
					444,108
31,724,532	1,113,219-	30,611,313	NET ACCOUNTS RECEIVABLES	30,611,313	2,810,257-
					33,421,570
6,896,635	41,006	6,937,641	INVENTORIES	6,937,641	1,012,033
500,014	86,189-	413,825	PREPAID EXPENSES	413,825	2,177,114-
91,042	84,256	175,298	OTHER RECEIVABLES	175,298	110,646
					64,652
39,218,093	1,107,679-	38,110,414	TOTAL CURRENT ASSETS	38,110,414	3,571,296-
					41,681,710
			PROPERTY, PLANT & EQUIPMENT		
3,653,970		3,653,970	LAND	3,653,970	3,653,970
43,555,057	330-	43,554,727	BLDGS AND IMPROVEMENTS		662,260
95,584,572	715,536	96,300,108	EQUIPMENT - OWNED	96,300,108	2,766,599
3,265,542		3,265,542	EQUIPMENT - CAPITAL LEASES	3,265,542	132,094
199,597	50,525-	149,072	CONSTRUCTION IN PROGRESS	149,072	46,858-
146,258,738	664,681	146,923,419	GROSS PP&E	146,923,419	3,514,095
91,827,738-	583,225-	92,410,963-	LESS ACCUMULATED DEPRECIATION	92,410,963-	4,657,829-
54,431,000	81,456	54,512,456	NET PP&E	54,512,456	1,143,734-
					55,656,190
			OTHER ASSETS		
			INVESTMENTS		
813,425		813,425	NOTES RECEIVABLE	813,425	
			INTANGIBLE ASSETS - NET		813,425
112,470		112,470	INVESTMENT IN SUBSIDIARIES		
925,895		925,895	OTHER ASSETS	112,470	112,470
			TOTAL OTHER ASSETS	925,895	925,895
94,574,988	1,026,223-	93,548,765	GRAND TOTAL ASSETS	93,548,765	4,715,030-
					98,263,795

EFF DATE: 12/31/15 FINS:FINSTM
 U06020
 CO SO B00 R00 D000 U06020 COID 34293
 01/11/16

FINANCIAL STATEMENT REPORTS
 SKYLINE MEDICAL CENTER
 FINANCIAL STATEMENT
 AS OF 12/31/15

BALANCE SHEET
 LIABILITIES AND EQUITY

PAGE 2

CURRENT MONTH			YEAR TO DATE		
BEGIN	CHANGE	ENDING	ENDING	CHANGE	BEGIN
CURRENT LIABILITIES-					
5,395,083	494,317	5,889,400	5,889,400	77,330	5,812,070
5,969,650	1,793,734-	4,175,916	4,175,916	2,219,149-	6,395,065
1,712,060	167,413	1,879,473	1,879,473	125,127	1,754,346
ACCURUED INTEREST					
DISTRIBUTIONS PAYABLE					
659,229	2,416	661,645	661,645	127,050	534,595
203,334	71,175-	132,159	132,159	23,026	109,133
CURR PORT-LONG TERM DEBT					
OTHR CURRENT LIABILITIES					
INCOME TAXES PAYABLE					
13,939,356	1,200,763-	12,738,593	12,738,593	1,788,309-	14,526,902
TOTAL CURRENT LIABILITIES					
LONG TERM DEBT-					
519,472	49,100-	470,372	470,372	649,084-	1,119,456
131,387,146-	3,406,308-	134,793,454-	134,793,454-	31,649,579-	103,143,875-
CAPITALIZED LEASES					
INTERCOMPANY DEBT					
OTHER LONG TERM DEBTS					
130,867,674-	3,455,408-	134,323,082-	134,323,082-	32,300,870-	102,022,212-
TOTAL LONG TERM DEBTS					
DEFERRED CREDITS AND OTHER LIAB					
PROFESSIONAL LIABILITY RISK					
DEFERRED INCOME TAXES					
89,282	4,073	93,355	93,355	11,483	81,872
89,282	4,073	93,355	93,355	11,483	81,872
LONG-TERM OBLIGATIONS					
TOTAL OTHER LIAB. & DEF.					
EQUITY					
COMMON STOCK - PAR VALUE					
CAPITAL IN EXCESS OF PAR VALU					
170,703,928		170,703,928	170,703,928	14,973,305-	185,677,233
40,710,096	3,625,875	44,335,971	44,335,971	44,335,971	
RETAINED EARNINGS - START OF					
NET INCOME - CURRENT YEAR					
DISTRIBUTIONS					
OTHER EQUITY					
211,414,024	3,625,875	215,039,899	215,039,899	29,362,666	185,677,233
TOTAL EQUITY					
94,574,988	1,026,223-	93,548,765	93,548,765	4,715,030-	98,263,795
TOTAL LIABILITIES AND EQU					

EFF DATE: 12/31/15 FINS:FINSTM
U06020
C0 S0 B00 R00 D000 U06020 C0ID 34293
01/11/16

FINANCIAL STATEMENT REPORTS
SKYLINE MEDICAL CENTER
MONTHLY OPERATING STATEMENTS
FOR PERIODS ENDING 12/31/15

SUMMARY P & L STATEMENT

PAGE 3

CURRENT MONTH			YEAR TO DATE		
LAST YEAR	BUDGET	THIS YEAR	THIS YEAR	BUDGET	LAST YEAR
REVENUES					
13,970,320	13,120,817	16,604,432	175,094,055	156,537,639	142,295,450
56,788,604	68,496,218	65,655,482	722,802,905	684,092,042	604,386,442
70,758,924	81,617,035	82,259,914	897,896,960	840,629,681	746,681,892
47,824,208	51,784,106	52,731,063	573,558,333	570,578,159	507,881,430
118,583,132	133,401,141	134,990,977	1,471,455,293	1,411,207,840	1,254,563,322
5,248	5,248	51,822	134,601	106,257	106,257
118,588,380	133,406,389	135,042,799	1,471,589,894	1,411,314,097	1,254,669,579
TOTAL REVENUES					
REVENUE DEDUCTIONS					
30,736,874	35,725,368	35,033,741	359,699,055	360,631,058	317,990,752
122,359	186,496	358,638	4,744,277	2,681,417	3,073,451
1,805,830	1,823,856	1,568,910	18,461,548	18,730,847	16,649,637
50,867,056	58,039,123	61,345,178	1,814,103	1,335,701	2,342,994
1,454,555	1,474,973	2,338,396	668,690,008	629,083,371	552,411,030
9,449,633	14,100,677	20,649,680	20,620,077	15,603,261	12,579,880
5,065,675	2,586,970	4,715,949	158,825,184	136,180,118	124,739,585
99,501,982	113,937,463	116,578,594	23,215,054	36,566,800	29,292,994
19,086,398	19,468,926	18,464,205	1,252,441,100	1,198,141,171	1,054,394,335
TOTAL REVENUE DEDUCTIONS					
TOTAL NET REVENUE					
OPERATING COSTS					
5,386,604	5,642,287	5,178,796	61,470,642	61,484,457	57,713,869
289,985	251,670	408,551	4,324,200	2,946,132	3,521,616
1,177,278	1,249,057	1,349,733	15,752,485	15,948,538	15,047,297
3,247,186	2,749,124	3,247,157	36,810,006	33,696,075	32,243,568
481,890	458,621	610,193	6,538,131	5,354,767	5,225,044
1,663,702	1,725,927	1,841,637	21,202,508	19,844,537	18,818,904
360,572	375,081	339,126	4,235,522	4,188,159	4,273,129
96,286	132,495	143,372	1,541,736	1,528,658	1,527,690
155,913	212,840	178,906	2,249,507	2,468,153	2,240,877
56,959	88,838	269,722	938,636	1,143,217	1,093,124
118,741	118,741	127,293	INVESTMENT INCOME		
387,704	356,409	235,375	TAXES-NON INCOME		
13,308,902	13,183,414	13,390,417	1,498,403	1,424,892	1,278,977
5,777,496	6,285,512	5,073,788	2,803,567	2,843,273	3,012,470
OTHER OPERATING EXPENSES					
TOTAL OPERATING EXPENSES					
EBDIT					
CAPITAL AND OTHER COSTS					
574,452	408,926	633,501	7,368,496	4,624,774	6,093,108
DEPRECIATION					
AMORTIZATION					
OTHER NON-OPERATING EXPENSE					
435,021	375,226	570,833	5,723,911	4,502,712	4,647,339
1,289,169	1,380,329	1,385,245	13,802,895	16,578,681	12,808,030
MGMT FEES AND MARKUP COST					
MINORITY INTEREST					
1,428,600	1,414,029	1,447,913	15,447,480	16,700,743	14,253,799
4,348,896	4,871,483	3,625,875	44,335,971	43,601,325	40,024,880
PRETAX INCOME					
TAXES ON INCOME					
FEDERAL INCOME TAXES					
STATE INCOME TAXES					
TOTAL TAXES ON INCOME					
4,348,896	4,871,483	3,625,875	44,335,971	43,601,325	40,024,880
NET INCOME					

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2015

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____
Commission File Number 1-11239

HCA Holdings, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

27-3865930
(I.R.S. Employer
Identification No.)

One Park Plaza
Nashville, Tennessee
(Address of Principal Executive Office)

37203
(Zip Code)

Registrant's telephone number, including area code: (615) 344-9551

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class
Common Stock, \$0.01 Par Value

Name of Each Exchange on Which Registered
New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of January 31, 2016, there were 396,958,400 outstanding shares of the Registrant's common stock. As of June 30, 2015, the aggregate market value of the common stock held by nonaffiliates was approximately \$29.839 billion. For purposes of the foregoing calculation only, Hercules Holding II, LLC and the Registrant's directors and executive officers have been deemed to be affiliates.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy materials for its 2016 Annual Meeting of Stockholders are incorporated by reference into Part III hereof.

Table of Contents

HCA HOLDINGS, INC.
CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(Dollars in millions, except per share amounts)

	2015	2014	2013
Revenues before the provision for doubtful accounts	\$ 43,591	\$ 40,087	\$ 38,040
Provision for doubtful accounts	3,913	3,169	3,858
Revenues	39,678	36,918	34,182
Salaries and benefits	18,115	16,641	15,646
Supplies	6,638	6,262	5,970
Other operating expenses	7,103	6,755	6,237
Electronic health record incentive income	(47)	(125)	(216)
Equity in earnings of affiliates	(46)	(43)	(29)
Depreciation and amortization	1,904	1,820	1,753
Interest expense	1,665	1,743	1,848
Losses (gains) on sales of facilities	5	(29)	10
Losses on retirement of debt	135	335	17
Legal claim costs	249	78	—
	35,721	33,437	31,236
Income before income taxes	3,957	3,481	2,946
Provision for income taxes	1,261	1,108	950
Net income	2,696	2,373	1,996
Net income attributable to noncontrolling interests	567	498	440
Net income attributable to HCA Holdings, Inc.	\$ 2,129	\$ 1,875	\$ 1,556
Per share data:			
Basic earnings per share	\$ 5.14	\$ 4.30	\$ 3.50
Diluted earnings per share	\$ 4.99	\$ 4.16	\$ 3.37
Shares used in earnings per share calculations (in millions):			
Basic	414.193	435.668	445.066
Diluted	426.721	450.352	461.913

The accompanying notes are an integral part of the consolidated financial statements.

Table of Contents

HCA HOLDINGS, INC.
CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(Dollars in millions)

	2015	2014	2013
Net income	\$2,696	\$2,373	\$1,996
Other comprehensive income (loss) before taxes:			
Foreign currency translation	(63)	(74)	18
Unrealized gains (losses) on available-for-sale securities	1	9	(7)
Defined benefit plans	30	(158)	134
Pension costs included in salaries and benefits	32	21	38
	62	(137)	172
Change in fair value of derivative financial instruments	(36)	(36)	3
Interest costs included in interest expense	125	132	131
	89	96	134
Other comprehensive income (loss) before taxes	89	(106)	317
Income taxes (benefits) related to other comprehensive income items	31	(40)	117
Other comprehensive income (loss)	58	(66)	200
Comprehensive income	2,754	2,307	2,196
Comprehensive income attributable to noncontrolling interests	567	498	440
Comprehensive income attributable to HCA Holdings, Inc.	<u>\$2,187</u>	<u>\$1,809</u>	<u>\$1,756</u>

The accompanying notes are an integral part of the consolidated financial statements.

Table of Contents

HCA HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(Dollars in millions)

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 741	\$ 566
Accounts receivable, less allowance for doubtful accounts of \$5,326 and \$5,011	5,889	5,694
Inventories	1,439	1,279
Deferred income taxes	—	366
Other	1,163	1,025
	9,232	8,930
Property and equipment, at cost:		
Land	1,524	1,524
Buildings	12,533	11,941
Equipment	19,335	18,496
Construction in progress	1,222	1,019
	34,614	32,980
Accumulated depreciation	(19,600)	(18,625)
	15,014	14,355
Investments of insurance subsidiaries	432	494
Investments in and advances to affiliates	178	165
Goodwill and other intangible assets	6,731	6,416
Other	1,157	620
	<u>\$ 32,744</u>	<u>\$ 30,980</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 2,170	\$ 2,035
Accrued salaries	1,233	1,370
Other accrued expenses	1,880	1,737
Long-term debt due within one year	233	338
	5,516	5,480
Long-term debt, less net debt issuance costs of \$167 and \$219	30,255	29,088
Professional liability risks	1,115	1,078
Income taxes and other liabilities	1,904	1,832
Stockholders' deficit:		
Common stock \$0.01 par; authorized 1,800,000,000 shares; outstanding 398,738,700 shares — 2015 and 420,477,900 shares — 2014	4	4
Accumulated other comprehensive loss	(265)	(323)
Retained deficit	(7,338)	(7,575)
Stockholders' deficit attributable to HCA Holdings, Inc.	(7,599)	(7,894)
Noncontrolling interests	1,553	1,396
	(6,046)	(6,498)
	<u>\$ 32,744</u>	<u>\$ 30,980</u>

The accompanying notes are an integral part of the consolidated financial statements.

B-Orderly Development-4B

TDOH and Joint Commission Findings and Corrections



Official Certification Report

TriStar Skyline Medical Center
3441 Dickerson Pike
Nashville, TN 37207

Organization Identification Number: 7887

Evidence of Standards Compliance (60 Day) Submitted: 2/15/2015

The Joint Commission

Executive Summary

Program

Disease-Specific Care Certification
Advanced Comprehensive Stroke Center

Submit Date

2/15/2015

**Disease-Specific Care
Certification:**

As a result of the certification review conducted on the above date(s), there are no Requirements for Improvement identified.

You will have follow-up in the area(s) indicated below:

- Measure of Success (MOS) – A follow-up Measure of Success will occur in four (4) months.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

The Joint Commission

Requirements for Improvement – Summary

Program	Standard	Level of Compliance
DSC	DSDF.1	Compliant
DSC	DSDF.2	Compliant
DSC	DSSE.1	Compliant
DSC	DSSE.3	Compliant



The Joint Commission

November 15, 2013

Re: # 7887

CCN: #440006

Program: Hospital

Accreditation Expiration Date: August 17, 2016

Steve Otto
Chief Executive Officer
Skyline Medical Center
3441 Dickerson Pike
Nashville, Tennessee 37207

Dear Mr. Otto:

This letter confirms that your August 12, 2013 - August 16, 2013 unannounced full resurvey was conducted for the purposes of assessing compliance with the Medicare conditions for hospitals through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on October 04, 2013, October 19, 2013 and November 11, 2013 and the successful on-site Medicare Deficiency Follow-up event conducted on September 27, 2013, the areas of deficiency listed below have been removed. The Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of August 17, 2013. We congratulate you on your effective resolution of these deficiencies.

§482.12 Governing Body
§482.41 Physical Environment

The Joint Commission is also recommending your organization for continued Medicare certification effective August 17, 2013. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13. Your organization is encouraged to share a copy of this Medicare recommendation letter with your State Survey Agency.

This recommendation applies to the following location(s):

Skyline Madison Campus
500 Hospital Drive, Madison, TN, 37115

Skyline Medical Center
3441 Dickerson Pike, Nashville, TN, 37207

We direct your attention to some important Joint Commission policies. First, your Medicare report is publicly accessible as required by the Joint Commission's agreement with the Centers for Medicare and

www.jointcommission.org

Headquarters

One Renaissance Boulevard
Oakbrook Terrace, IL 60181
630 792 5000 Voice



The Joint Commission

Medicaid Services. Second, Joint Commission policy requires that you inform us of any changes in the name or ownership of your organization, or health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations

cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services
CMS/Regional Office 4 /Survey and Certification Staff



The Joint Commission

Skyline Medical Center
3441 Dickerson Pike
Nashville, TN 37207

Organization Identification Number: 7887

Evidence of Standards Compliance (45 Day) Submitted: 11/11/2013

Program(s)
Hospital Accreditation

Executive Summary

Hospital Accreditation : As a result of the accreditation activity conducted on the above date(s), there were no Requirements for Improvement identified.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

**The Joint Commission
Summary of Compliance**

Program	Standard	Level of Compliance
HAP	LS.02.01.20	Compliant

**The Joint Commission
Summary of CMS Findings**

CoP: §482.41 **Tag:** A-0700 **Deficiency:** Compliant

Corresponds to: HAP

Text: §482.41 Condition of Participation: Physical Environment

The hospital must be constructed, arranged, and maintained to ensure the safety of the patient, and to provide facilities for diagnosis and treatment and for special hospital services appropriate to the needs of the community.

CoP Standard	Tag	Corresponds to	Deficiency
§482.41(b)(1)(i)	A-0710	HAP - LS.02.01.20/EP1	Compliant



DEC 12 '16 PM 3:55

Skyline Medical Center
3441 Dickerson Pike
Nashville, TN 37207

Organization Identification Number: 7887

Program(s)
Hospital Accreditation

Survey Date(s)
09/27/2013-09/27/2013

Executive Summary

Hospital Accreditation : As a result of the accreditation activity conducted on the above date(s), Requirements for Improvement have been identified in your report.
You will have follow-up in the area(s) indicated below:

- Evidence of Standards Compliance (ESC)

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

The Joint Commission Summary of Findings

Evidence of DIRECT Impact Standards Compliance is due within 45 days from the day the survey report was originally posted to your organization's extranet site:

Program: Hospital Accreditation
Program

Standards: LS.02.01.20 EP1

**The Joint Commission
Summary of CMS Findings**

CoP: §482.41 **Tag:** A-0700 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.41 Condition of Participation: Physical Environment

The hospital must be constructed, arranged, and maintained to ensure the safety of the patient, and to provide facilities for diagnosis and treatment and for special hospital services appropriate to the needs of the community.

CoP Standard	Tag	Corresponds to	Deficiency
§482.41(b)(1)(i)	A-0710	HAP - LS.02.01.20/EP1	Standard

The Joint Commission Findings

Chapter: Life Safety
Program: Hospital Accreditation
Standard: LS.02.01.20

ESC 45 days

Standard Text: The hospital maintains the integrity of the means of egress.

Primary Priority Focus Area: Physical Environment

Element(s) of Performance:

1. Doors in a means of egress are unlocked in the direction of egress.
(For full text and any exceptions, refer to NFPA 101-2000:
18/19.2.2.2.4)



Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

EP 1

§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101®2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed in Building Tour at Skyline Medical Center (3441 Dickerson Pike, Nashville, TN) site for the Hospital deemed service.

During the building tour, it was observed that two sets of double doors leading into the Cath Lab from the adjacent corridors were found to be secured with magnetic devices but were not also equipped with an occupancy sensor and emergency push to exit buttons that would permit free egress, as marked by exit signs, out of the unit to the corridors. It was also observed that the double doors leading INTO the CCU unit, in a marked egress path (marked by an exit sign) are locked with a magnetic device but were not also equipped with an occupancy sensor and emergency push to exit button to permit free access to the marked egress path. Each of these doors are required to be compliant with NFPA LSC 2000 edition, 7.2.1.6 Special Locking Arrangements.



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
WEST TENNESSEE HEALTH CARE FACILITIES
2975 C HIGHWAY 45 BYPASS
JACKSON, TENNESSEE 38305
731-984-9884

November 8, 2011

Mr. Steve Otto, Administrator
Skyline Medical Center
3441 Dickerson Pike
Nashville, TN 37207

Dear Mr. Otto:

On **November 4, 2011**, our office completed a revisit to verify that your facility had achieved and maintained compliance. Based on our revisit, we found that your facility had demonstrated compliance with deficiencies cited on the **fire safety licensure survey** completed on **September 20, 2011**.

If this office may be of any assistance to you, please call 731-984-9710.

Sincerely,

A handwritten signature in cursive script that reads "P. Diane Carter".

P. Diane Carter, RN, LNCC
Public Health Nurse Consultant 2

PDC/tjw

November 2, 2011

Ms. P. Diane Carter
Public Health Consultant Nurse 2
State of Tennessee Department of Health
West Tennessee Health Care Facilities
2975C Highway 45 Bypass
Jackson, Tennessee 38305-3608

Re: Skyline Medical Center
Licensure Survey-Fire Safety

Dear Ms. Carter,

Enclosed is Skyline Medical Center's revised plan of corrective action in response to your letter dated October 24, 2011. We hope this letter and its attachments expand the description of the numerous actions the hospital has taken to ensure compliance with each of the fire safety deficiencies cited and provides credible evidence of full compliance.

If you require additional information or if I can be of assistance, please do not hesitate to call me at 615-769-7114.

Sincerely,



Steve Otto
Chief Executive Officer

Enclosures

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER TNP 53123	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - Main Building 01 B. WING _____	(X3) DATE SURVEY COMPLETED C 09/20/2011
NAME OF PROVIDER OR SUPPLIER SKYLINE MEDICAL CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 3441 DICKERSON PIKE NASHVILLE, TN 37207	
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
	<p>H 901 1200-8-1-09 (I) Life Safety</p> <p>(1) Any hospital which complies with the required applicable building and fire safety regulations at the time the board adopts new codes or regulations will, so long as such compliance is maintained (either with or without waivers of specific provisions), be considered to be in compliance with the requirements of the new codes or regulations.</p> <p>This Rule is not met as evidenced by: Based on observations, it was determined the facility failed to comply with the life safety codes as required.</p> <p>The findings included:</p> <p>1. Observation of the kitchen on 9/19/11 at 1:22 PM, revealed the housekeeping door did not have a door closure causing the closet not maintaining a negative air pressure.</p>	H 901	<p><u>Deficiency:</u> Facility failed to comply with the life safety codes as required.</p> <p><u>Corrective Action:</u> The Plant Operations Department installed a door closure on the housekeeping door in the kitchen. Inspection by the Director Facilities Management on 9/22/11 noted the housekeeping door to latch securely. The Director of Food and Nutrition Services was notified the door was to remain closed at all times. A sign stating "We must keep this door closed at all times" was placed on the door to alert FNS staff. The Director of Food & Nutrition Services also communicated this to the staff utilizing the housekeeping area in a 1:1 conversation. Exhibit I</p> <p><u>Responsible Parties:</u> Director Facilities Management</p> <p><u>Compliance Monitoring:</u> Plant Operations has set up a re-occurring work order that will cause an inspection to be done by the Director of Facilities Management once per week beginning immediately and continuing for 4 months. If no issues are found, doors will be checked during normal EOC rounds semi-annually. Any door found not closed during rounding will be communicated to the Director of Food & Nutrition Services for immediate follow-up. The Director Food & Nutrition Services is also performing daily monitoring to ensure the door is latched securely. The audits will daily for 2 months. If no issues are noted, the observation of compliance will change to the monthly surveillance rounding. The audits will be reported to the Environment of Care Committee quarterly, forwarded to the Performance Improvement Council, Medical Executive Committee and Board of Trustees for their review, input and recommendations as needed.</p>	<p>9/21/11</p> <p>09/30/11</p> <p>10/07/11</p> <p>10/29/11</p>

Division of Health Care Facilities

Title

(X6) Date

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

 CEO 11/3/11

STATE FORM

6899

C49B21

If continuation sheet 1 of 3

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER TNP 53123	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01- Main Building 01 B. WING _____	(X3) DATE SURVEY COMPLETED C 09/20/2011
NAME OF PROVIDER OR SUPPLIER SKYLINE MEDICAL CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 3441 DICKERSON PIKE NASHVILLE, TN 37207	
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
	H 901 1200-8-1-09 (I) Life Safety Continued page 2 2. Observation of the kitchen on 9/19/11 at 1:26 PM, revealed the paper goods storage room door was wedged open with a rubber door stop.	H901	<p><u>Deficiency:</u> Facility failed to comply with the life safety codes as required.</p> <p><u>Corrective Action:</u> The Plant Operations Department inspected the door that was wedged open and validated the door had no closure difficulties; therefore the rubber wedge was removed. The Director Food & Nutrition Services was notified at that time to not have the door propped open with any objects. The Director of Food and Nutrition Services communicated with the staff at a special meeting the importance of not propping any doors open at any time, especially rubber door stops. This door is in the kitchen is able to be left open, so the Plant Operations Department installed a "magnetic door hinge" which allows this to happen. The door has the ability to release to the closed position in case of fire. This was checked by the Director Facilities Management and Chief Quality & Patient Safety Officer during their weekly rounds.</p> <p><u>Responsible Parties:</u> Director Facilities Management, Director Food and Nutrition Services</p> <p><u>Compliance Monitoring:</u> Plant Operations has set up a re-occurring work order that will cause an inspection to be done by the Director of Facilities Management once per week beginning immediately and continuing for 4 months. If no issues are found, doors will be checked during normal EOC rounds semi-annually. Doors found propped open will be communicated to the Director of Food & Nutrition Services for immediate follow-up. The Director of Food and Nutrition Services is also performing daily monitoring to validate that no doors are propped open with any objects for 2 months. If no issues are noted, the observation of compliance will change to the monthly surveillance rounding. The audit results will be reported quarterly at the Environment of care Committee, Performance Improvement/Patient Safety Council, Medical Executive Committee and Board of Trustees for their review, input and recommendations as needed.</p>	09/21/11 10/04/11 10/27/11 10/07/11 10/29/11

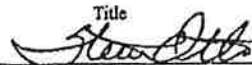
Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE
STATE FORM

6899

C49B21

Title



CEO 11/3/11

(X6) Date

If continuation sheet 2 of 3

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER TNP 53123	(X2) MULTIPLE CONSTRUCTION A. BUILDING <u>01 - Main Building 01</u> B. WING _____	(X3) DATE SURVEY COMPLETED C 09/20/2011
NAME OF PROVIDER OR SUPPLIER SKYLINE MEDICAL CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 3441 DICKERSON PIKE NASHVILLE, TN 37207	
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
	<p>H 901 1200-8-1-09 (1) Life Safety</p> <p>Continued page 3</p> <p>3. Observation of the kitchen on 9/19/11 at 1:30 PM, revealed kitchen hood suppression fore extinguishing nozzles were not centered over the cooking equipment.</p> <p>These findings were acknowledged by the director of facilities management during the exit interview on 9/20/11.</p>	H 901	<p><u>Deficiency:</u> Facility failed to comply with the life safety codes as required.</p> <p><u>Corrective Action:</u> The Plant Operations Department notified Simplex Grinnell of the need to inspect the hood suppression pipes in the kitchen over the new cooking equipment.</p> <p>Simplex Grinnell inspected the kitchen hood suppression pipes and changed them to cover the new kitchen appliances. Exhibit K</p> <p><u>Responsible Parties:</u> Director Facilities Management</p> <p><u>Compliance Monitoring:</u> The Director of Facilities Management and Chief Quality & Patient Safety Officer inspected the hood suppression pipes in the kitchen and found them appropriately placed covering the cooking equipment. These suppression pipes are permanently placed and cannot be adjusted by any kitchen staff. Simplex Grinnell has a biannual maintenance already scheduled to inspect the suppression hood nozzles, hood exhaust fans, etc. The last inspection was on 6/23/11 therefore the next inspection is scheduled for 12/2011. If any issues are found during an inspection, they are corrected at that time. Documentation of the inspections is kept in the Plant Operations Department. Any deficiencies in the inspections for the next 2 years will be reported to the Environment of Care Committee, Performance Improvement/Patient Safety Council, Medical Executive Committee and Board of Trustees for review, input and recommendations as needed.</p>	<p>09/21/11</p> <p>9/29/11</p> <p>10/07/11</p>

Division of Health Care Facilities

Title


(X6) Date

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE
STATE FORM

6899

C49B21

If continuation sheet 3 of 3

 CEO 11/3/11

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER TNP 53123	(X2) MULTIPLE CONSTRUCTION A. BUILDING 02-Madison Campus B. WING	(X3) DATE SURVEY COMPLETED C 09/20/2011
NAME OF PROVIDER OR SUPPLIER SKYLINE MEDICAL CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 3441 DICKERSON PIKE NASHVILLE, TN 37207	
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
	<p>H 901 1200-8-1-09 (1) Life Safety</p> <p>(1) Any hospital which complies with the required applicable building and fire safety regulations at the time the board adopts new codes or regulations will, so long as such compliance is maintained (either with or without waivers of specific provisions), be considered to be in compliance with the requirements of the new codes or regulations.</p> <p>This Rule is not met as evidenced by: Based on observations, it was determined the facility failed to comply with the life safety codes as required.</p> <p>The findings included:</p> <p>Observation on 9/20/11 at 10:40 AM, revealed a penetration above the corridor doors in the smoke wall partition adjacent at 339.</p> <p>This findings was acknowledged by the director of facilities management and the plant operations manager during the exit interview on 9/20/11.</p>	H 901	<p><u>Deficiency:</u> Facility failed to comply with the life safety codes as required.</p> <p><u>Corrective Action:</u> The penetration was sealed at the time it was found. Skyline Medical Center has a "No Pass, No Pay" policy that details the process to ensure all fire/smoke wall penetrations complies with state and national fire code requirements. The policy was reviewed by the Director Facilities Management and no changes were needed. Upon completion of the contractors work, the contractor fills out the No Pass No Pay form (included on the policy) and gives the completed form to the Plant Operations Department. Owner's representative (Plant Operations, Biomedical or Information Systems) conducts an inspection of all new penetrations to ensure they are sealed. If the penetrations are not sealed, the contractor is made aware and payment is held until the penetrations are sealed and the work is re-inspected. Exhibit H</p> <p><u>Responsible Parties:</u> Director Facilities Management and Plant Operations Manager at Madison Campus</p> <p><u>Compliance Monitoring:</u> The Director Facilities Management and Plant Operations Manager (Madison Campus) conduct quarterly fire barrier inspections. If penetrations are found, they are sealed at the time of the inspection. Penetrations are reported as part of the surveillance to the Environment of Care Committee quarterly, forwarded to the Performance Improvement Council, Medical Executive Committee and Board of Trustees for their review, input and recommendations as needed. As noted above, the hospital is monitoring every outside contractor work and sealing of penetrations during each visit to the facility. Non-compliance results in no pay to the contractor until a re-inspection is done and passed.</p>	<p>09/20/11</p> <p>09/30/11</p> <p>10/01/11</p>

Division of Health Care Facilities

Title

(X6) Date

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE
STATE FORM

6899

C49B21

 CEO 10/3/11

If continuation sheet 1 of 1

OCT - 4 2011



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
WEST TENNESSEE HEALTH CARE FACILITIES
2975C HIGHWAY 45 BYPASS
JACKSON, TENNESSEE 38305-3608

September 26, 2011

Mr. Steve Otto, Administrator
Skyline Medical Center
3441 Dickerson Pike
Nashville, TN 37207

RE: Licensure Surveys

Dear Mr. Otto:

Enclosed is the statement of deficiencies for the licensure surveys completed at your facility on **September 19 - 21, 2011**. Based upon 1200-8-1, you are asked to submit an acceptable plan of correction for achieving compliance with completion dates and signature within **ten (10) days from the date of this letter**.

Please address each deficiency separately with positive and specific statements advising this office of a plan of correction that includes acceptable time schedule, which will lead to the correction of the cited deficiencies. **Enter on the right side of the State Form, opposite the deficiencies**, your planned action to correct the deficiencies and the expected completion date. The completion date can be no longer than **45 days from the day of survey**. Before the plan can be considered "acceptable," it must be signed and dated by the administrator

Your plan of correction must contain the following:

- How the deficiency will be corrected;
- How the facility will prevent the same deficiency from recurring.
- The date the deficiency will be corrected;
- How ongoing compliance will be monitored.

Please be advised that under the disclosure of survey information provisions, the Statement of Deficiencies will be available to the public.

If assistance is needed, please feel free to call me at 731-984-9710.

Sincerely,

P. Diane Carter

P. Diane Carter, RN, LNCC
Public Health Consultant Nurse 2

PDC/tjw

OCT - 4 2011



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
WEST TENNESSEE HEALTH CARE FACILITIES
2975C HIGHWAY 45 BYPASS
JACKSON, TENNESSEE 38305-3608
731-984-9684

September 26, 2011

Administrator
Skyline Medical Center
3441 Dickerson Pike
Nashville, TN 37207

RE: PECU Licensure Survey

Dear Administrator:

We are pleased to advise you that no deficiencies were cited as a result of the licensure survey conducted at your facility on **September 21, 2011**. The attached form is for your files.

If this office may be of any assistance to you, please do not hesitate to call (731) 984-9710.

Sincerely,

P. Diane Carter

P. Diane Carter, RN, LNCC
Public Health Nurse Consultant 2

tjw
PDC/tjw

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53123	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 09/21/2011
NAME OF PROVIDER OR SUPPLIER SKYLINE MEDICAL CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 3441 DICKERSON PIKE NASHVILLE, TN 37207		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE	
P 002	1200-8-30 No Deficiencies Based on policy review, medical record review, observation, and interviews, the facility complied with the regulations for a Primary Pediatric Emergency Care Facility. No deficiencies were cited during the annual licensure survey conducted 9/19/11 - 9/21/11.	P 002			

COPY

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

STATE FORM

5896

70XM11

If continuation sheet 1 of 1

B-Orderly Development-5A&B

Descriptions of Sanctions Incurred

Section B-Orderly Development-5A-5B

5. Respond to all of the following and for such occurrences, identify, explain and provide documentation:

The applicant has made a good faith effort to respond to this question regarding the entities identified in the organization chart in Attachment A-4A, to the best of its knowledge, information and belief. Due to the breadth of the question and a lack of definition of key terms, the applicant cannot represent these responses are totally comprehensive, but no responsive information is being intentionally withheld. Because there is no central repository for the information sought, and because of the length of time some of the entities have been in existence, the applicant's responses are limited to the past 5 years as a reasonable look-back period.

A. Has any of the following:

- 1) Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);**
- 2) Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or**
- 3) Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%.**

B. Been subjected to any of the following:

- 1) Final Order or Judgment in a state licensure action;**

We assume for the purpose of this question that "state licensure action" refers to facility licensure. HTI Memorial Hospital Corporation has not been subjected to Final Order or Judgment in a state licensure action regarding Skyline Medical Center. The other entities in the chain of ownership do not hold a hospital license.

- 2) Criminal fines in cases involving a Federal or State health care offense;**

No.

- 3) Civil monetary penalties in cases involving a Federal or State health care offense;**

HTI Memorial Hospital Corporation has not been involved in civil litigation whereby a Civil Monetary Penalty was paid. We are not aware that any of the entities upstream from that entity as reflected in Attachment Section A-4A(2) have been involved in civil litigation whereby a judgment or settlement was entered into resulting in the payment of a Civil Monetary Penalty.

4) Administrative monetary penalties in cases involving a Federal or State health care offense;

HTI Memorial Hospital Corporation has not been involved in civil litigation whereby an Administrative Monetary Penalty was paid. We are not aware that any of the entities upstream from this entity as reflected in Attachment Section A-4A(2) have been involved in civil litigation whereby a judgment or settlement was entered into resulting in the payment of an Administrative Monetary Penalty.

5) Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services; and/or

Please see the response to (3) and (4) above.

6) Suspension or termination of participation in Medicare or Medicaid/TennCare programs.

No.

7) Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware.

HTI Memorial Hospital Corporation is a party in approximately 15 civil lawsuits, which is not unusual for a large health system.

Certain of the entities listed in Attachment Section A-4A(2) may have been subject to an investigation, regulatory action or party to a civil action (broadly interpreting "civil action"). None of the entities in Attachment Section A-4A(2) have been the subject of a criminal action.

8) Is presently subject to a corporate integrity agreement.

No.

Proof of Publication

Jobs

new beginnings..

General

Landscaper Laborer

Landscaper Laborer - Temp, full-time 21/5/17-12/8/17. 32 jobs w/ Sunrise of Nashville, Inc., Nashville, TN & 10 sites in Cheatham, Davidson, Dickson, Robertson, Rutherford, Sumner, Williamson & Wilson cntys. Landscaper to maintain grounds of property using hand or power tools or equipment. Wks perform a variety of task, including any combination of the following: sod laying, mowing, fertilizing, digging, irrigation, weeding, pruning, etc. No exp req'd, will train. Must be 18 yrs old, when nec. Drug test req'd prior to starting work. Job req'd. 100% upon suspicion, & 100% upon accident. Post-employment B/G check req'd. 40 hr/wk 7 AM-4 PM M-F. Sat work req'd, when nec Wage is no less than \$12.50/hr (OT varies @ \$18.84/hr). Raisebonus at emp's discretion. Transport (incl. meals & as nec, lodging) to place of employ provided or paid to wks residing outside normal commute distance by completion of 50% of job period. Return transport provided or paid to same wks if wks completes job period or is dismissed early. Wks are guaranteed offer of 34 hr work hrs each 12-wk period. Toolshed, supplies, equip., & uniform provided at n/c. Potential deduct for vol health insurance and/or life ins, wks plan may apply. Emp may assist to secure wks' lodging if needed. Res wks req'd. Interview req'd. Fox Res wks req'd. 386-3405 or apply at: Tennessee Dept. of Labor & Workforce Development, 220 French Landing Drive, Nashville, TN 37243, (615) 741-5671. JO# 505359.

General



Golden Retriever Puppies, Mother - Gorgeously Black Head, Med Records, M & F \$350. Will hold for Christmas. Cell: 931-808-9022

Great Dones: AKC, S/W, \$700+ 417-859-0844 www.GreatDones4U.com

22 HAVANESE PUPPIES, AKC & Home raised, Best Health Guarantees. nashvillehavanese.com Call: 615-543-1220

JACK RUSSELL: Female, 2 year old, tricolor, broken coat, \$200. 2 males, 12 weeks, black and white, shots, wormed smooth coat. \$300 each. 931-703-9406

Jack Russells, Miniature: CKC reg, short red, short legged, first shots. \$250. Call 931-285-7753

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General

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Please send your resume to: sloantordcolumbia@gmail.com

Lessons-Instructor

REAL ESTATE CLASSES Mid-TN Largest School Day, Eve, Wknd CLI - 615-297-1800 CLI - 800-523-7575

General

Providing your Newborn with a lifetime of opportunities is a dream. Love, laughter & support awaits. Expenses paid. Alexa: 855-227-1842 Lexloves.com

Announcements



Mothers Needed - If you have a negative blood type, 2 or more pregnancies or a bloody transfusion or told you have an antibody. You may qualify to provide a life-saving vaccine. You may be compensated \$500+ per month. www.uhbloodservices.com / 615-342-0180.

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PRONTO! M41 Power Chair: ★ \$500. ★ Call: 731-686-7716 ★

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Auctions

0001786367

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that TriStar Skyline Medical Center (a hospital), owned and managed by HTI Memorial Hospital Corporation (a corporation), intends to file an application for a Certificate of Need to transfer thirty-one (31) medical-surgical beds, from its satellite campus at 500 Hospital Drive, Madison, TN 37115, into newly constructed space at its main campus in 3441 Dickerson Pike, Nashville, TN 37207. Both campuses are in Davidson County. The estimated project cost is \$30,038,000. TriStar Skyline Medical Center is currently licensed as an acute care hospital by the Board for Licensing Health Care Facilities. Its consolidated license is for 385 hospital beds--consisting of 233 beds at its main campus, and 152 beds at its satellite campus. This project will increase the main campus complement to 121 beds, and will reduce the satellite campus complement to 121 beds, so that the consolidated 385-bed license will not change. The project does not include major medical equipment or any new health service.

The anticipated date of filing the application is on or before December 14, 2016. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022. Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Auctions

Auctions

ABSOLUTE AUCTION

DEC. 10TH

SATURDAY

3 BEDROOM - 2 BATH SIDING AND BRICK HOME
100 Y. 175 FT LEVEL LOT - 932 IDLEWILD DR.

Miscellaneous Information

1. TennCare Enrollment

TennCare Enrollment Report for October 2016

MCO	REGION	Total
AMERIGROUP COMMUNITY CARE		450,039
BLUECARE	East Tennessee	213,803
BLUECARE	Middle Tennessee	174,883
BLUECARE	West Tennessee	154,415
UnitedHealthcare Community Plan	East Tennessee	166,526
UnitedHealthcare Community Plan	Middle Tennessee	175,549
UnitedHealthcare Community Plan	West Tennessee	141,271
TENNCARE SELECT HIGH	All	50,901
TENNCARE SELECT LOW	All	17,253
PACE		277
Awaiting MCO assignment		23
Grand Total		1,544,940

COUNTY	Female				Female Total	Male				Male Total	Grand Total
	0 - 18	19 - 20	21 - 64	65 →		0 - 18	19 - 20	21 - 64	65 →		
ANDERSON	4,284	347	4,574	647	9,852	4,590	278	2,191	282	7,341	17,193
BEDFORD	3,966	260	3,251	258	7,735	4,106	250	1,320	123	5,799	13,534
BENTON	1,072	90	1,199	146	2,507	1,120	82	618	79	1,899	4,406
BLEDSE	822	79	868	126	1,895	911	72	494	61	1,538	3,433
BLOUNT	6,248	514	6,394	693	13,849	6,361	422	2,810	327	9,920	23,769
BRADLEY	6,161	486	6,249	696	13,592	6,456	390	2,674	293	9,813	23,405
CAMPBELL	3,007	277	3,848	694	7,826	3,208	216	2,119	391	5,934	13,760
CANNON	795	74	889	134	1,892	827	66	414	54	1,361	3,253
CARROLL	1,893	183	2,252	317	4,645	2,087	162	1,147	127	3,523	8,168
CARTER	3,251	270	3,700	703	7,924	3,429	219	1,904	279	5,831	13,755
CHEATHAM	2,060	174	2,091	170	4,495	2,217	169	929	91	3,406	7,901
CHESTER	1,066	89	1,093	156	2,404	1,096	71	449	72	1,688	4,092
CLAIBORNE	2,131	196	2,586	557	5,470	2,242	174	1,539	270	4,225	9,695
CLAY	525	40	568	118	1,251	561	46	366	63	1,036	2,287
COCKE	2,830	264	3,240	469	6,803	2,991	213	1,765	240	5,209	12,012
COFFEE	3,766	296	3,797	412	8,271	3,896	220	1,687	171	5,974	14,245
CROCKETT	1,138	79	1,037	204	2,458	1,085	68	477	84	1,714	4,172
CUMBERLAND	3,416	293	3,458	507	7,674	3,595	221	1,692	242	5,750	13,424
DAVIDSON	44,140	2,839	38,203	3,434	88,616	45,357	2,495	15,566	1,904	65,322	153,938
DECATUR	690	61	793	193	1,737	795	51	429	59	1,334	3,071
DEKALB	1,375	118	1,390	194	3,077	1,503	98	748	107	2,456	5,533
DICKSON	3,061	227	3,061	324	6,673	3,206	226	1,316	138	4,886	11,559
DYER	2,838	246	3,132	425	6,641	2,975	207	1,320	157	4,659	11,300
FAYETTE	1,869	163	1,858	294	4,184	1,967	125	750	157	2,999	7,183
FENTRESS	1,389	128	1,599	376	3,492	1,493	113	1,049	200	2,855	6,347
FRANKLIN	2,081	197	2,225	276	4,779	2,242	160	1,065	114	3,581	8,360
GIBSON	3,444	265	3,753	599	8,061	3,640	267	1,674	256	5,837	13,898
GILES	1,750	147	1,824	251	3,972	1,725	117	827	125	2,794	6,786
GRAINGER	1,525	137	1,602	307	3,571	1,563	117	937	157	2,774	6,345

COUNTY	Female					Male					Male Total	Grand Total	
	19 - 20		21 - 64		65 →	0 - 18		19 - 20		21 - 64			65 →
	0 - 18	19 - 20	21 - 64	65 →		0 - 18	19 - 20	21 - 64	65 →				
GREENE	3,797	331	4,469	726	9,323	4,077	282	2,197	389	6,945	16,268		
GRUNDY	1,082	117	1,316	211	2,726	1,206	100	743	124	2,173	4,899		
HAMBLETON	4,781	321	3,998	548	9,648	4,944	293	1,825	240	7,302	16,950		
HAMILTON	18,794	1,300	18,992	2,406	41,492	19,656	1,188	7,696	1,114	29,654	71,146		
HANCOCK	523	63	631	157	1,374	568	41	354	73	1,036	2,410		
HARDEMAN	1,832	172	2,064	328	4,396	1,827	129	950	156	3,062	7,458		
HARDIN	1,766	152	2,073	382	4,373	1,886	150	1,029	204	3,269	7,642		
HAWKINS	3,471	301	3,881	608	8,261	3,624	268	2,011	294	6,197	14,458		
HAYWOOD	1,484	118	1,720	256	3,578	1,616	133	604	99	2,452	6,030		
HENDERSON	1,873	159	2,052	278	4,362	1,985	131	932	103	3,151	7,513		
HENRY	2,062	167	2,274	307	4,810	2,225	170	1,086	92	3,573	8,383		
HICKMAN	1,576	149	1,738	191	3,654	1,740	153	881	105	2,879	6,533		
HOUSTON	490	42	570	123	1,225	532	27	275	70	904	2,129		
HUMPHREYS	1,142	87	1,240	146	2,615	1,199	60	594	64	1,917	4,532		
JACKSON	686	56	797	134	1,673	774	56	450	89	1,369	3,042		
JEFFERSON	3,358	299	3,338	516	7,511	3,556	248	1,674	201	5,679	13,190		
JOHNSON	1,074	94	1,201	262	2,631	1,123	76	759	142	2,100	4,731		
KNOX	21,028	1,598	21,920	2,526	47,072	21,978	1,382	9,618	1,177	34,155	81,227		
LAKE	476	42	649	163	1,330	556	44	296	83	979	2,309		
LAUDERDALE	2,081	193	2,259	300	4,833	2,202	174	964	124	3,464	8,297		
LAWRENCE	2,831	216	2,933	402	6,382	3,036	182	1,443	151	4,812	11,194		
LEWIS	802	71	799	128	1,800	796	65	390	56	1,307	3,107		
LINCOLN	2,093	179	2,037	270	4,579	2,204	131	945	101	3,381	7,960		
LOUDON	2,638	205	2,442	272	5,557	2,129	136	1,129	124	4,169	9,726		
MACON	1,914	154	1,804	230	4,102	2,014	146	876	114	3,150	7,252		
MADISON	6,889	535	7,203	853	15,480	6,965	426	2,629	375	10,395	25,875		
MARION	1,883	165	2,121	235	4,404	1,897	154	919	129	3,099	7,503		
MARSHALL	1,963	135	1,892	174	4,164	2,041	115	776	76	3,008	7,172		
MAURY	5,287	392	5,138	518	11,335	5,628	314	2,033	197	8,172	19,507		
MCMINN	3,298	268	3,497	498	7,561	3,603	213	1,629	232	5,677	13,238		
MCNAIRY	1,836	186	2,171	349	4,542	2,023	151	1,207	191	3,572	8,114		
MEIGS	849	86	902	80	1,917	873	68	452	41	1,434	3,351		
MONROE	3,002	276	3,159	492	6,929	3,270	207	1,632	255	5,364	12,293		
MONTGOMERY	10,331	717	10,177	716	21,941	10,679	511	3,526	271	14,987	36,928		
MOORE	230	19	194	53	496	252	19	94	15	380	876		
MORGAN	1,265	120	1,258	201	2,844	1,318	106	657	99	2,180	5,024		
OBION	2,178	170	2,376	310	5,034	2,290	133	992	131	3,546	8,580		
OVERTON	1,249	146	1,370	288	3,053	1,363	113	750	136	2,362	5,415		
PERRY	573	46	538	90	1,247	578	49	301	33	961	2,208		
PICKETT	264	29	312	66	671	290	26	166	47	529	1,200		
POLK	1,101	103	1,179	167	2,550	1,117	91	626	84	1,918	4,468		
PUTNAM	4,551	369	4,673	750	10,343	4,830	284	2,444	331	7,889	18,232		
RHEA	2,527	193	2,459	362	5,541	2,591	172	1,185	145	4,093	9,634		
ROANE	2,863	217	3,363	505	6,948	3,165	231	1,753	245	5,394	12,342		
ROBERTSON	4,149	313	3,508	380	8,350	4,355	264	1,410	154	6,183	14,533		
RUTHERFORD	15,362	1,082	13,335	1,013	30,792	16,193	819	4,837	454	22,303	53,095		
SCOTT	1,980	172	2,190	376	4,718	2,080	162	1,183	186	3,611	8,329		
SECUATCHIE	1,027	99	1,119	144	2,389	1,063	83	585	55	1,786	4,175		
SEVIER	6,116	444	5,480	494	12,534	6,539	339	2,350	184	9,412	21,946		

COUNTY	Female			Male			Grand Total				
	0 - 18	19 - 20	21 - 64	65 →	0 - 18	19 - 20		21 - 64	65 →		
SHELBY	79,297	6,057	73,291	6,925	81,242	5,528	24,060	3,132	113,962	279,532	
SMITH	1,188	111	1,231	165	2,695	75	558	62	1,925	4,620	
STEWART	800	67	862	113	1,842	62	432	60	1,383	3,225	
SULLIVAN	8,542	699	9,803	1,323	20,367	616	4,931	594	15,161	35,528	
SUMNER	8,509	692	8,018	807	18,026	583	3,155	306	13,036	31,062	
TIPTON	3,829	309	3,708	394	8,240	273	1,466	143	5,938	14,178	
TROUSDALE	560	53	584	74	1,271	28	259	39	877	2,148	
UNICOI	965	87	1,125	251	2,428	1,093	543	125	1,853	4,281	
UNION	1,459	110	1,414	155	3,138	1,400	739	92	2,333	5,471	
VAN BUREN	343	26	366	61	796	375	23	192	50	640	1,436
WARREN	3,096	223	3,065	453	6,837	3,201	1,475	201	5,070	11,907	
WASHINGTON	6,333	473	7,105	982	14,893	6,513	430	3,382	429	10,754	25,647
WAYNE	873	66	923	166	2,028	903	71	467	74	1,515	3,543
WEAKLEY	1,921	173	2,099	301	4,494	1,949	1,005	122	3,231	7,725	
WHITE	1,823	164	1,943	283	4,213	1,987	1,060	122	3,299	7,512	
WILLIAMSON	3,626	274	3,084	359	7,343	3,862	265	1,292	552	12,915	
WILSON	5,562	440	5,194	481	11,677	5,761	348	2,013	198	19,997	
Other	3,919	369	4,254	196	8,738	4,233	281	1,634	99	6,247	14,985
Grand Total	409,665	31,800	405,414	48,153	895,032	427,548	27,385	172,796	22,179	649,908	1,544,940

Reports include some membership additions that are the result of retroactivity; however, additional retroactivity may still occur. The "Other" county category reflects recipients who are Tennessee residents for which their domicile is temporarily located outside of the state.

DEC 12 '16 PM 3:55



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

January 4, 2017

John Wellborn
Development Support Group
4219 Hillsboro Road, Suite 210
Nashville, TN 37215

RE: Certificate of Need Application -- TriStar Skyline Medical Center - CN1612-041
The transfer of 31 medical-surgical beds from TriStar Skyline's satellite campus located at 500 Hospital Drive, Madison (Davidson County), TN, into newly constructed space at its main campus at 3441 Dickerson Pike, Nashville (Davidson County). The estimated project cost is \$30,038,000.

Dear Mr. Wellborn:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Trent Sansing at the Tennessee Department of Health for Certificate of Need review by the Division of Policy, Planning and Assessment. You may be contacted by Mr. Sansing or someone from his office for additional clarification while the application is under review by the Department. Mr. Sansing's contact information is Trent.Sansing@tn.gov or 615-253-4702.

In accordance with Tennessee Code Annotated, §68-11-1607, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project will begin on January 4, 2017. The first 60 days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the 60-day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review. You will receive a copy of their findings. The Health Services and Development Agency will review your application on April 26, 2017.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,



Melanie M. Hill
Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243


www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

MEMORANDUM

TO: Trent Sansing, CON Director
Office of Policy, Planning and Assessment
Division of Health Statistics
Andrew Johnson Tower, 2nd Floor
710 James Robertson Parkway
Nashville, Tennessee 37243

FROM: Melanie M. Hill 
Executive Director

DATE: January 4, 2017

RE: Certificate of Need Application
TriStar Skyline Medical Center - CN1612-041

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on January 4, 2017 and end on March 4, 2017.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc: John Wellborn

LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Tennessean, which is a newspaper of general circulation in Davidson County, Tennessee, on or before December 9, 2016, for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that TriStar Skyline Medical Center (a hospital), owned and managed by HTI Memorial Hospital Corporation (a corporation), intends to file an application for a Certificate of Need to transfer thirty-one (31) medical-surgical beds from its satellite campus at 500 Hospital Drive, Madison, TN 37115, into newly constructed space at its main campus at 3441 Dickerson Pike, Nashville, TN 37207. Both campuses are in Davidson County. The estimated project cost is \$30,038,000.

TriStar Skyline Medical Center is currently licensed as an acute care hospital by the Board for Licensing Health Care Facilities. Its consolidated license is for 385 hospital beds--consisting of 233 beds at its main campus, and 152 beds at its satellite campus. This project will increase the main campus complement to 264 beds, and will reduce the satellite campus complement to 121 beds, so that the consolidated 385-bed license will not change. The project does not include major medical equipment or any new health service.

The anticipated date of filing the application is on or before December 14, 2016. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

 12-8-16

(Signature)

(Date)

jwdsg@comcast.net
(E-mail Address)

ORIGINAL
Supplemental- #1

TriStar Skyline Medical Center

CN1612-041

December 29, 2016

8:18 am

December 29, 2016

Phillip M. Earhart, HSD Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Application CN1612-041
TriStar Skyline Medical Center

Dear Mr. Earhart:

This letter responds to your recent request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

1. Section A, Project Details, Item 10.B.

The applicant references Attachment Section A-10. However, Attachment A-10 could not be located in the application. Please submit.

This was a typographical error. The reference in Item 10.B should have said "Section A-3A(1), Detailed Project Description" (which is the first attachment after the main body of the application). That attachment is also referenced in the Executive Summary on page 4 of the submitted application. Attached after this page is a revised page 18R, correcting the attachment name.

As the attachment discusses, the project will not change the total consolidated licensed complement of the satellite and main campuses. The project will simply relocate 31 of Skyline's licensed medical-surgical beds to the main campus where they are most needed and are operationally supported.

2. Section A, Project Details, Item 10. Bed Complement Data

The Bed Complement Charts for Skyline Medical Center-Main Campus, Skyline Medical Center-Madison Campus, and Consolidated Main and Madison Campuses are noted. However, please complete the bed staffed column of each chart and submit replacement pages.

Attached after this page are revised pages 15R, 16R, and 17R, adding the staffing information.

December 29, 2016**8:18 am**

10B. Describe the reasons for change in bed allocations and describe the impact the bed changes will have on the applicant facility's existing services.

See Attachment Section A-3A(1).

10C. Please identify all the applicant's outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete the chart below.

<u>CON Number</u>	<u>CON Expiration Date</u>	<u>Total Licensed Beds Approved</u>
-------------------	----------------------------	-------------------------------------

NA

11. Home Health Care Organizations – Home Health Agency, Hospice Agency (excluding Residential Hospice), identify the following by checking all that apply:

NA

10. Bed Complement Data

10A. Please indicate current and proposed distribution and certification of facility beds.)

Skyline Medical Center--Main Campus

	Beds Currently Licensed	Beds Staffed	Beds Proposed	*Beds Approved	**Beds Exempt	TOTAL Beds at Completion
1. Medical	147	146	+31			178
2. Surgical						
3. ICU/CCU	45	45				45
4. Obstetrical						
5. NICU						
6. Pediatric						
7. Adult Psychiatric						
8. Geriatric Psychiatric						
9. Child/Adolescent Psychiatric						
10. Rehabilitation	41	41				41
11. Adult Chemical Dependency						
12. Child/Adolescent Chemical Dependency						
13. Long-Term Care Hospital						
14. Swing Beds						
15. Nursing Home SNF (Medicare Only)						
16. Nursing Home NF (Medicaid Only)						
17. Nursing Home SNF/NF (dually certified MCare/Maid)						
18. Nursing Home- Licensed (Noncertified)						
19. ICF/IID						
20. Residential Hospice						
TOTAL	233	232	+31			264

** Beds approved but not yet in service*

*** Beds exempted under 10%/3 yrs provision*

December 29, 2016**8:18 am*****Skyline Medical Center--Madison Campus***

	Beds Currently Licensed	Beds Staffed	Beds Proposed	*Beds Approved	**Beds Exempt	TOTAL Beds at Completion
1. Medical	27	0	-27			0
2. Surgical						
3. ICU/CCU	4	0	-4			0
4. Obstetrical						
5. NICU						
6. Pediatric						
7. Adult Psychiatric	86	86				121
8. Geriatric Psychiatric	14	14				
9. Child/Adolescent Psychiatric	21	21				
10. Rehabilitation						
11. Adult Chemical Dependency						
12. Child/Adolescent Chemical Dependency						
13. Long-Term Care Hospital						
14. Swing Beds						
15. Nursing Home SNF (Medicare Only)						
16. Nursing Home NF (Medicaid Only)						
17. Nursing Home SNF/NF (dually certified MCare/Maid)						
18. Nursing Home- Licensed (Noncertified)						
19. ICF/IID						
20. Residential Hospice						
TOTAL	152	121	-31			121

** Beds approved but not yet in service**** Beds exempted under 10%/3 yrs provision*

December 29, 2016**8:18 am*****Skyline Medical Center--Consolidated Main & Madison Campuses***

	Beds Currently Licensed	Beds Staffed	Beds Proposed	*Beds Approved	**Beds Exempt	TOTAL Beds at Completion
1. Medical	174	146	+4			178
2. Surgical						
3. ICU/CCU	49	45	-4			45
4. Obstetrical						
5. NICU						
6. Pediatric						
7. Adult Psychiatric	86	86	0			121
8. Geriatric Psychiatric	14	14				
9. Child/Adolescent Psychiatric	21	21				
10. Rehabilitation	41	41	0			41
11. Adult Chemical Dependency						
12. Child/Adolescent Chemical Dependency						
13. Long-Term Care Hospital						
14. Swing Beds						
15. Nursing Home SNF (Medicare Only)						
16. Nursing Home NF (Medicaid Only)						
17. Nursing Home SNF/NF (dually certified MCare/Maid)						
18. Nursing Home- Licensed (Noncertified)						
19. ICF/IID						
20. Residential Hospice						
TOTAL	385	353	0			385

** Beds approved but not yet in service**** Beds exempted under 10%/3 yrs provision*

Page Two
December 29, 2016

3. Section A. , Executive Summary, 3.A. Overview

Please complete the following table summarizing the applicant's 4 phase development plan focusing on bed complement changes with related renovation activities between the main hospital campus and the Madison satellite facility.

The table below has been completed. The "four phase" language in this application and in prior applications refers only to projects affecting the main campus. It was not used by the applicant to include changes affecting only the Madison campus, so "NA" has been entered in the two rows pertaining only to the Madison campus. Also, please note that the two main campus rehabilitation bed projects are considered to be a single phase.

Skyline's CON Projects Requiring Renovations at Main Hospital and Madison Campuses					
CON Project	Campus	Building Phase (1,2,3,4)	Renovation Cost	Square Feet	Bed Change Description
CN0704-026A	Main 2 nd floor, Gym	1	\$426,000	11,240 SF	Transfer 9 rehab beds from satellite to main campus
CN0804-029A	Madison 4 th floor	NA	\$519,000	9,030 SF	Convert 16 med/surg beds to adolescent A&D treatment beds
CN0808-062A	Main 2 nd floor	1	\$277,919	2,420 SF	Transfer 10 rehab beds from satellite to main campus
CN1110-040A	Madison 4 th Floor	NA	\$1,574,855	6,620 SF	Convert 10 med/surg beds to adolescent psych beds
CN1406-020A	Main Floors 2,4,5, Rehab Gym	2	\$2,062,140	9,422 SF	Transfer 10 ICU beds from satellite to main campus
CN1504-014A	Main 3 rd Floor	3	\$600,000	3,620 SF	Transfer 10 med/surg beds from satellite to main campus
CN1612-041	Main 2 nd floor	4	\$22,870,000	51,372 SF	Transfer 31 M/S beds from satellite to main campus

Page Three
December 29, 2016

4. Section B, Need, Item 1. 3.a. (Replacement of Health Care Institutions)

The applicant points to an occupancy of the med/surg bed services at levels of 84% or higher based on of 10 months of CY2016 utilization. Please complete the following tables below.

Med/Surg Peak first 10 months of CY2016 (with observation days)

	Days at or above 85% Occupancy	Days at or above 95% occupancy	Total (Above 85% Occupancy)	as a % of 488 total days
Med/Surg	161	97	161	52.7%

Med/Surg Peak first 10 months of CY2016 (without observation days)

	Days at or above 85% Occupancy	Days at or above 95% occupancy	Total (Above 85% Occupancy)	as a % of 488 total days
Med/Surg	70	29	70	22.9%

5. Section B. Economic Feasibility Item 1.E Architect's letter

The Architect's letter is noted. However, please revise the letter attesting the proposed construction will to applicable standards, licensing agencies' requirements including AIA Guidelines for design and Construction of Hospital and Health Care Facilities in in current use by the licensing authority.

The revised letter is attached following this page.

6. Section B. Economic Feasibility Item 4. (Historical Data Chart and Projected Data Chart)

The Projected Data Charts for Skyline Medical Center and Skyline Medical Center's Med-Surg Beds only is noted. However, please remove the random percentages next to the Year Two column and submit a revised Projected Data Chart.

The revised pages 49R and 50R are attached following this page.

December 29, 2016

8:18 am



G R E S H A M
S M I T H A N D
P A R T N E R S

December 22, 2016

Mr. Steve Otto
Chief Executive Officer
Skyline Medical Center
3441 Dickerson Pike
Nashville, Tennessee 37207

Subject: Certificate of Need Application
Med / Surg Bed Expansion
Skyline Medical Center
 GS&P Project No. 40774.00 / 00.3

Dear Mr. Otto:

Please be advised that the construction budget for Skyline Medical Center's proposed Med / Surg Bed expansion project is anticipated to be approximately \$22,800,000. This total includes design, construction, site work, testing, A&E fees, and building fees. Due to the nature and complexity of this project, we agree that this construction cost is appropriate.

Also, the following codes / regulations will be followed during the design process:
2012 IBC with Local Amendment
2010 Guidelines for Design and Construction of Hospitals and Outpatient Facilities
2012 NFPA Life Safety Code
2009 ANSI A.117.1 Handicap Code
2012 IMC
2012 IPC
2011 NEC
2012 International Energy Code

Please feel free to contact me if I can provide you with any additional information.

Sincerely,

Kenneth A. Priest, AIA, NCARB, LEED AP
Principal
Tennessee License No. 16010

bma

December 29, 2016

8:18 am TOTAL FACILITY

0 PROJECT ONLY

PROJECTED DATA CHART -- SKYLINE MEDICAL CENTER

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

		Year 2020	Year 2021
A.	Utilization Data		
	(Specify unit or measure)		
	Admissions	13,115	13,377
	Discharge Days	72,131	73,574
B.	Revenue from Services to Patients		
1.	Inpatient Services	\$ 1,476,285,000	\$ 1,626,284,000
2.	Outpatient Services	730,824,000	805,079,000
3.	Emergency Services	212,197,000	233,757,000
4.	Other Operating Revenue	222,000	245,000
	(Specify) <u>See notes page</u>		
	Gross Operating Revenue	\$ 2,419,528,000	\$ 2,665,365,000
C.	Deductions from Gross Operating Revenue		
1.	Contractual Adjustments	\$ 2,082,110,000	\$ 2,309,654,000
2.	Provision for Charity Care	35,523,000	39,405,000
3.	Provisions for Bad Debt	39,993,000	44,364,000
	Total Deductions	\$ 2,157,626,000	\$ 2,393,423,000
	NET OPERATING REVENUE	\$ 261,902,000	\$ 271,942,000
D.	Operating Expenses		
1.	Salaries and Wages		
	a. Clinical	\$ 95,905,000	\$ 98,802,000
	b. Non-Clinical		
2.	Physicians Salaries and Wages		
3.	Supplies	43,291,000	\$ 44,599,000
4.	Rent		
	c. Paid to Affiliates		
	d. Paid to Non-Affiliates	1,725,000	\$ 1,760,000
5.	Management Fees		
	a. Paid to Affiliates	16,496,000	\$ 17,128,000
	b. Paid to Non-Affiliates		
6.	Other Operating Expenses <u>See notes page</u>	44,809,000	\$ 45,913,000
	Total Operating Expenses	\$ 202,226,000	\$ 208,202,000
E.	Earnings Before Interest, Taxes, and Depreciation	\$ 59,676,000	\$ 63,740,000
F.	Non-Operating Expenses		
1.	Taxes	\$ 1,762,000	\$ 1,815,000
2.	Depreciation	8,665,000	\$ 8,927,000
3.	Interest	(5,724,000)	\$ (5,724,000)
4.	Other Non-Operating Expenses		
	Total Non-Operating Expenses	\$ 4,703,000	\$ 5,018,000
	NET INCOME (LOSS)	\$ 54,973,000	\$ 58,722,000

Chart Continues Onto Next Page

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PROJECTED DATA CHART -- MEDICAL-SURGICAL DEPARTMENT/BEDS

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

		Year 2020	Year 2021
A.	Utilization Data		
	(Specify unit or measure)		
	Admissions	9,135	9,317
	Discharge Days	45,673	46,587
B.	Revenue from Services to Patients		
1.	Inpatient Services	\$ 1,011,381,000	\$ 1,114,151,000
2.	Outpatient Services	99,758,000	109,894,000
3.	Emergency Services	0	0
4.	Other Operating Revenue	0	0
	(Specify) <u>See notes page</u>		
	Gross Operating Revenue	\$ 1,111,139,000	\$ 1,224,045,000
C.	Deductions from Gross Operating Revenue		
1.	Contractual Adjustments	\$ 943,563,000	\$ 1,047,579,000
2.	Provision for Charity Care	16,098,000	17,873,000
3.	Provisions for Bad Debt	18,124,000	20,122,000
	Total Deductions	\$ 977,785,000	\$ 1,085,574,000
	NET OPERATING REVENUE	\$ 133,354,000	\$ 138,471,000
D.	Operating Expenses		
1.	Salaries and Wages	\$ 50,448,000	\$ 52,486,000
	a. Clinical		
	b. Non-Clinical		
2.	Physicians Salaries and Wages		
3.	Supplies	26,085,000	\$ 26,874,000
4.	Rent		
	c. Paid to Affiliates		
	d. Paid to Non-Affiliates	819,000	\$ 835,000
5.	Management Fees		
	a. Paid to Affiliates	8,351,000	\$ 8,672,000
	b. Paid to Non-Affiliates		
6.	Other Operating Expenses <u>See notes page</u>	22,953,000	\$ 23,816,000
	Total Operating Expenses	\$ 108,656,000	\$ 112,683,000
E.	Earnings Before Interest, Taxes, and Depreciation	\$ 24,698,000	\$ 25,788,000
F.	Non-Operating Expenses		
1.	Taxes	\$ 897,000	\$ 924,000
2.	Depreciation	4,409,000	\$ 4,542,000
3.	Interest	(2,820,000)	\$ (2,820,000)
4.	Other Non-Operating Expenses		
	Total Non-Operating Expenses	\$ 2,486,000	\$ 2,646,000
	NET INCOME (LOSS)	\$ 22,212,000	\$ 23,142,000

Chart Continues Onto Next Page

7. Section B. Economic Feasibility Item 6.B Net Operating Ratio.

The Net Operating Ratio is noted. However, it appears the Net Operating Ratio for 2014 is 9.3%, 18% for 2015, 18.5% for Year One, and 18.6% for Year Two. Please verify.

The following tables have been recalculated by the hospital CFO, using EBIDTA divided by Net Operating Revenue, as requested:

For entire hospital:

	2 nd Yr Previous to Current Yr	1 st Yr Previous to Current Yr	Current Yr	Projected Yr 1	Projected Yr 2
Net Operating Margin Ratio	21.34%	21.66%	NA	22.79%	23.44%

For med surg dept only:

	2 nd Yr Previous to Current Yr	1 st Yr Previous to Current Yr	Current Yr	Projected Yr 1	Projected Yr 2
Net Operating Margin Ratio	9.40%	17.98%	NA	18.52%	18.62%

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8. Section B. Economic Feasibility Item 6.C Capitalization Ratio.

Please provide financial documents that support the Capitalization Ratio provided by the applicant.

Attached after this page is the summary balance sheet of HCA Holdings, Inc.'s most current 10K quarterly report dated 9-30-16. The sheet also contains CY2015 accounts. Here are the calculations documenting the originally submitted response 6B, plus the standard ratio calculation for CY 2015:

	2015	Jan-Sep 2016
a. Long Term Debt	\$31,225,000,000	\$30,255,000,000
b. Equity	\$7,763,000,000	\$7,599,000,000
c. LT Debt + Equity (a-b)	(\$23,462,000,000)	(\$22,656,000,000)
d. Market Cap 9/30/16	NA	\$28,447,529,763
e. LT Debt + Mkt Cap (a+d)	NA	\$59,672,529,763

2015 Ratio: $\$31,225,000,000 / (\$23,462,000,000) \times 100 = (133.09)$

2016 Ratio: $\$30,255,000,000 / (\$22,656,000,000) \times 100 = (133.54)$

HCA's Alternative Calculation for Jan-Sep 2016, p. 58 of submitted application:

$\$30,255,000 / \$59,672,529,763 = 0.52$

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2016

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 1-11239

HCA Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

One Park Plaza
Nashville, Tennessee
(Address of principal executive offices)

27-3865930
(I.R.S. Employer
Identification No.)

37203
(Zip Code)

(615) 344-9551

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

<u>Class of Common Stock</u>	<u>Outstanding at October 31, 2016</u>
Voting common stock, \$.01 par value	374,685,700 shares

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HCA HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited
(Dollars in millions)

	September 30, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 677	\$ 741
Accounts receivable, less allowance for doubtful accounts of \$5,011 and \$5,326	5,503	5,889
Inventories	1,503	1,439
Other	1,160	1,163
	<u>8,843</u>	<u>9,232</u>
Property and equipment, at cost	36,449	34,614
Accumulated depreciation	<u>(20,574)</u>	<u>(19,600)</u>
	15,875	15,014
Investments of insurance subsidiaries	354	432
Investments in and advances to affiliates	216	178
Goodwill and other intangible assets	6,691	6,731
Other	1,148	1,157
	<u>\$ 33,127</u>	<u>\$ 32,744</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 1,950	\$ 2,170
Accrued salaries	1,241	1,233
Other accrued expenses	1,748	1,880
Long-term debt due within one year	216	233
	<u>5,155</u>	<u>5,516</u>
Long-term debt, less net debt issuance costs of \$178 and \$167	31,225	30,255
Professional liability risks	1,164	1,115
Income taxes and other liabilities	1,746	1,904
Stockholders' deficit:		
Common stock \$0.01 par; authorized 1,800,000,000 shares; outstanding 376,140,800 shares in 2016 and 398,738,700 shares in 2015	4	4
Accumulated other comprehensive loss	(341)	(265)
Retained deficit	(7,426)	(7,338)
Stockholders' deficit attributable to HCA Holdings, Inc.	(7,763)	(7,599)
Noncontrolling interests	1,600	1,553
	<u>(6,163)</u>	<u>(6,046)</u>
	<u>\$ 33,127</u>	<u>\$ 32,744</u>

See accompanying notes.

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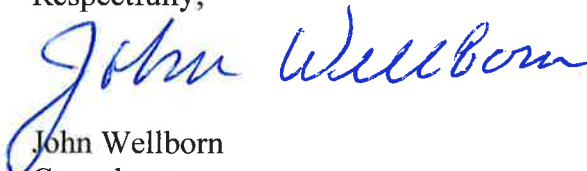
9. Section B, Contribution to Orderly Development, Item 4

The applicant refers to Attachment A-3A (1). However, the attachment could not be found and is not listed in the Index of Attachments. Please provide.

That Item 4 reference to Attachment A-3A(1)--which is in the Table of Contents and is the first attachment--was an error. Skyline's licensure and accreditation documents are in Attachment A-4A. A revised page 66R is provided after this page correcting the erroneous reference.

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please email or telephone me so that we can respond in time to be deemed complete.

Respectfully,


John Wellborn
Consultant

4. Identify the type of licensure and certification requirements applicable and verify that the applicant has reviewed and understands them. Discuss any additional requirements, if applicable. Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure:

Board for Licensing Health Care Facilities, Tennessee Department of Health

Certification Type (e.g. Medicare SNF, Medicare LTAC, etc.):

Medicare Certification from CMS

TennCare/Medicaid Certification from TDH

Accreditation (i.e. Joint Commission, CARF, etc.)

Joint Commission (Hospital; Comprehensive Stroke Center)

A. If an existing institution, describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility and accreditation designation.

The applicant is currently licensed in good standing by the Board for Licensing Health Care Facilities, certified for participation in Medicare and Medicaid/TennCare, and fully accredited by the Joint Commission. Please see Attachment A-4 for copies of the current facility license and accreditation.

B. For existing providers, please provide a copy of the most recent statement of deficiencies/plan of correction and document that all deficiencies/findings have been corrected, by providing a letter from the appropriate agency.

See Attachment Section B-Orderly Development-4B.

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AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY:

TRISTAR SKYLINE MEDICAL CENTER
31-BED TRANSFER

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the lawful agent of the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete to the best of my knowledge.

John Wellborn
Signature/Title
CONSULTANT

Sworn to and subscribed before me, a Notary Public, this the 29th day of December, 2016, witness my hand at office in the County of DAVIDSON, State of Tennessee.

[Signature]
NOTARY PUBLIC

My commission expires July 2, 2018.

HF-0043

Revised 7/02

